CONFIDENTIAL
Press Conference #513,
Executive Offices of the White House,
January 3, 1939, 4.15 P.M.

THE PRESIDENT: How is Fred? Are you all recovered? Where is Earl?

Oh, there you are. Are you all recovered; are you all all right?

Q (Mr. Godwin) Yes.

Q (Mr. Storm) Everyone is O.K.

MR. DONALDSON: All in.

THE PRESIDENT: Well, a Happy New Year to everybody.

I am sorry to be late but it was on your account. I promised Steve (Mr. Early) that I would have the annual Message in his hands by four o'clock and I came within ten minutes of it. He has got it.

Q When will it be in our hands?

THE PRESIDENT: Tomorrow morning,

Q What time?

MR. EARLY: About ten o'clock.

Q How long does it run, 3500?

THE PRESIDENT: Around that; between 3,000 and 3500. I do not think anybody has counted it.

Q Will there be a separate Message on national defense later?

THE PRESIDENT: Yes.

Q How about railroads?

THE PRESIDENT: I do not know. The only one that is definite is an announcement in tomorrow's Message that there will be a National Defense Message. Then, tomorrow afternoon, I think about four o'clock, we can have our sit-down talk about the budget, if that is all right for everybody. That goes up Thursday, by noon.

Q How soon, sir, will the National Defense Message come, are you able to calculate?

THE PRESIDENT: I think Monday, Tuesday or Wednesday of next week.

Q Will you also deliver it in person?

THE PRESIDENT: What?

Q Will you also deliver it in person?

THE PRESIDENT: Oh, no.

Q There is a report on the Hill today that Felix Frankfurter will be named to the Supreme Court.

THE PRESIDENT: That is what -- number five in the last five days. To relieve your minds, I will tell you that there have been no decisions made in regard to any nominations that you have not already got. I have been signing today the nominations for people who have already been appointed and those that will go up on Thursday, by noon, to the Senate.

Q Recess appointments?

THE PRESIDENT: Yes.

Q There is a story in the morning papers that Donald Wakefield Smith's appointment would be withdrawn, that it would not be sent to the Senate?

THE PRESIDENT: That is another one.

Q They are still asking about twenty-one -- if I remember correctly -- Federal judicial appointments to be made?

THE PRESIDENT: Yes.

Q Will they be going up in one bunch?

THE PRESIDENT: I have not the faintest idea; I have made no appointments other than the ones already filled.

Q Will the Smith appointment go up there?

THE PRESIDENT: I do not know. I have been signing -- I suppose I have signed about half of them so far.

Q Would you care to discuss John Lewis' visit with you today?

THE PRESIDENT: No. We just had a pleasant talk about a lot of things. Just a New Year's talk.

Q We asked him if he had discussed the appointment of Donald Wakefield Smith with you and he said he had nothing to say about it. That was the end of that.

THE PRESIDENT: We just had a pleasant New Year's talk.

Q When you say that Donald Wakefield Smith's name -- (pause) you do not know whether it will go up?

THE PRESIDENT: I do not know. It has not arrived at my desk.

Q I was wondering whether there was any doubt about its going.

THE PRESIDENT: Oh, no.

Q It will go up, Mr. President?

THE PRESIDENT: I do not know.

Q Is that because it is not physically ready or do you --

THE PRESIDENT: (interposing) No, that is a physical thing because there are about half that have not got here.

Q You had a discussion today with Sumner Welles and Brien McMahon and neither would talk when they came out. Can you tell us anything?

THE PRESIDENT: No.

Q He said -- at least, Brien McMahon said that criminal prosecution is involved.

THE PRESIDENT: Then it is you; it is all right.

Q (Mr. Storm) I hope not; I am in trouble enough as it is. (Laughter)

Q Mr. President, Governor Allred, of Texas, was appointed in recess and did not take his position in recess. Would he have to be nominated?

THE PRESIDENT: Oh, yes; he would have to be nominated. That has not come to me yet, either.

Q Can you tell us what you discussed with Governor Kraschel today?

THE PRESIDENT: Oh, we talked about liberal democracy.

Q What about liberal democracy? (Laughter)

THE PRESIDENT: We are for it. (Laughter)

Q Is everybody for it?

THE PRESIDENT: Not all.

Q What is it?

THE PRESIDENT: Is it Mark Sullivan asking that? (Laughter)

Q Mark Sullivan knows what it is. (Laughter)

THE PRESIDENT: That is like the fellow that was asked about the Inquisition. He said, "I ought to know; I went through it." (Laughter)

MR. STORM: Thank you, Mr. President.

Q Mr. President, have you received a report on the hospital for southern Illinois?

THE PRESIDENT: No, not yet.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #514 (Budget),
Executive Offices of the White House,
January 4, 1939, 4.15 P.M.

THE PRESIDENT: Steve (Mr. Early) suggests, because there are quite a number of new faces, we repeat that this is not a Press Conference in any sense of the word. It is merely an effort to be helpful in explaining the Budget Message and a lot of figures for your own help. That follows the custom of other years. Of course, the release of this is not until it is actually delivered to the Congress tomorrow at twelve o'clock.

Q May I ask a question? There is a certain type of stories which, I understand, have been criticized, coming from this Conference. Would you care to elaborate on that?

THE PRESIDENT: I do not think we want, for the benefit of interpreters or columnists, personal stories about wisecracks that are made or about my turning to the Director of the Budget, or the Director of the Budget not knowing the answer to the question. (Laughter) After all, that is between us and I think probably it is better that the columnists should not use that kind of stuff, if they do not mind.

MR. EARLY: It is just off the record.

THE PRESIDENT: Yes, off the record.

(Reading)

"THE BUDGET AND THE NATIONAL INCOME

"Taxation yields almost all of the income of the Government, leaving less than 5 percent to come from miscellaneous sources. Revenue from taxes depends mainly on two factors: The rate of taxation and the total of the national income.

This holds true not only of direct taxes on personal and corporate income but also of what are known as ad valorem taxes or other forms of indirect taxes, for the very good reason that the volume and value of goods produced or articles imported vary with the rise or fall of the Nation's total income.

"We can and do fix the rate of taxation definitely by law. We cannot by a simple legislative act raise the level of national income, but our experience in the last few years has amply demonstrated that through wise fiscal policies and other acts of government we can do much to stimulate it.

"Today the Nation's income is in the neighborhood of 60 billion dollars a year. A few years ago it was much lower. It is our belief that it ought to be much higher.

"In order that you may know the amount of revenue which the Government may expect under the existing tax structure as the national income rises, the following table is submitted. It shows the estimated revenues which may be derived when national income reaches certain levels between 70 billion and 90 billion dollars."

(The President did not read the table but it is here reproduced:)

"Estimated Federal receipts[1] by principal sources, at certain assumed levels of national income based on December 1938 tax rates

(In billions of dollars)

National income	70	80	90
Income taxes	2.5	3.9	5.7
Miscellaneous internal revenue . .	2.2	2.6	3.1
Customs	.4	.5	.7
Miscellaneous receipts	.2	.2	.2
Pay-roll taxes	.7	.8	.9
Total	6.0	8.0	10.6

[1] Tax liabilities excluding trust accounts. Pay-roll taxes at calendar year 1938 rates."

(Reading)

"The table is not intended to indicate the national income for any particular year and, of necessity, the estimates are rough and may vary somewhat either way. Since taxes are paid from one month to fifteen months after income is realized, the achievement of a 90 billion dollar national income in one year will not, for instance, mean tax collections of 10 billion dollars in that same year. This table is an indicator and not a gauge.

"During the past nine fiscal years--a period which has seen the national income drop from a high of 81 billion dollars in the calendar year 1929 to around 40 billion dollars in 1932 and rise again to about 70 billion dollars in 1937--Federal revenues, even though on a higher tax base, have never completely covered expenditures.

"We require continual study of the revenues necessary to carry on the normal functions of the Federal Government and of the role which Federal policy should play in the stabilization of the national economy.

"This study includes a consideration of: (a) The practicability of reclassifying expenditures on a functional basis and the most appropriate methods of financing the different classifications; (b) the problem of human security including relief and its costs; and (c) the correlation between national income on the one hand and Government receipts and expenditures on the other.

"An analysis of receipts and expenditures by major classes over a ten-year period, as set forth in the following table, indicates the nature of the problems to be studied."

Now, this is a new breakdown of all kinds of old figures that they have had in the past. It is an effort to classify, in a somewhat new way which would be much more readily understood by the average man on the street, I think, than the old way.

The receipts are put down as they always have been, practically, but they have been reduced to a smaller number of categories than we had before.

Then, the expenditures have been classified into two kinds, large groups, ordinary expenditures and extraordinary expenditures, which is a rule-of-thumb method of doing it. We could speak for ourselves and you could write sententious editorials about one item going in one group when it should go in another, but it is an effort to simplify public thought on what types of expenditures they go under.

These first expenditures, in the first group, refer to legislative, judicial and civil establishments, and that includes, at the bottom, independent offices and commissions and supplemental items. You will note that they run, out of the total budget, in that first group of expenditures, to somewhere around, in the last few years, an average of $700,000,000. to $800,000,000.; in other words, definitely less than $1,000,000,000. That is what I was referring to this morning in the speech when I said that, obviously, savings on the State Department and the Department of Justice and the Interstate Commerce Commission, et cetera, anybody can, by cutting off certain functions, save, say, a percentage, but the percentage would necessarily be small unless you stopped the activities and it would be a percentage of a comparatively small sum, in other words, less than $1,000,000,000.

National defense is an item which, of course, I referred to this morning as a very large item which the Congress can cut if it wishes to and make great savings in. This year it is estimated that we will spend $1,017,000,000. and next year, $1,126,000,000. That increase is made up almost entirely by the progress of work on the new battleships.

On the veterans' pensions and benefits, it is $540,000,000. this year and next year, $539,000,000.; in other words, the same figure. It is a very large item of over half a billion, as to which great savings can be made by the Congress, if it so wishes.

The next item is interest on the public debt and then the next is refunds of receipts, the Agricultural Adjustment Program, the latter practically the same but not quite as much this year as in the year just passed; it will be $694,000,000. next year. There again, great savings are possible.

On social security, $833,000,000. this year and $928,000,000. next year. That is another large item which can be cut by eliminating part or whole of the social security system.

On railroad retirement, that is automatically, under the present law, $112,000,000. and it goes up to $127,000,000. Of course that may be cut.

Supplemental items have gone down from $130,000,000. to $50,000,000.

Well, that gives you a total for the legislative, judicial and civil establishments of $865,000,000. plus these very large items for national defense, etc., down in that group, and that gives you a total increase in next year's budget over this year's from $5,251,000,000. to $5,537,000,000.

Then there is the new item on the next line which you have all been trying to find out about and which everybody gets wrong -- the new national defense program, which calls for $210,000,000. in next year's budget.

Q What do you mean by this year?

THE PRESIDENT: 1940's budget. In other words, what we want very much is to get the appropriation for national defense through at this time, $210,000,000. this year, well enough before the first of July so that we can get the actual national defense work under contract as quickly as possible after the first day of July. We want to get the thing going and it is estimated we can spend $210,000,000. during the following year from July 1, 1939 to 1940. The breakdown of that $210,000,000. you won't get until next Monday, Tuesday or Wednesday, when I send the National Defense Message up. Do not guess because I do not know what it is.

Q That increase, you consider that a part of the work that was already authorized on battleships?

THE PRESIDENT: Yes.

Then you come down to the next item under extraordinary expenditures, a group of them listed under "Public works." All of these are, of course, susceptible of being cut down. We have already estimated a cut on the highways expenditure from $232,000,000. to $213,000,000.; the T.V.A. from $43,000,000. to $40,000,000.; the reclamation from $93,000,000. to $68,000,000.; rivers and harbors, improvement, from $83,000,000. to $60,000,000.; flood control practically the same, it goes up from $98,000,000. to $101,000,000.; public buildings $60,000,000. to $62,000,000.; grants to public bodies, including administration, that drops from $392,000,000. to $366,000,000. What is that, Dan (Mr. Bell)?

MR. BELL: That is P.W.A., largely.

Q That does not include social security?

THE PRESIDENT: No, social security is in the top group.

Q The other is P.W.A.?

THE PRESIDENT: Yes. The total of that group (public works) drops from $1,229,000,000. to $1,044,000,000.

Then unemployment relief, still under the extraordinary expenditures, drops from $97,000,000. to $42,000,000. in the direct relief category; work relief, which is W.P.A., etc., drops from $1,604,000,000. down to $7,000,000. Of course that is picked up later, that is the last item. On the Civilian Conservation Corps, that is practically the same, it drops from $290,000,000. to $285,000,000. The supplemental items rise from $750,000,000. to $1,685,000,000., which, roughly, is the offset against that second item.

Q Would you care to break that down, W.P.A., N.Y.A. and C.C.C.?

THE PRESIDENT: $1,500,000,000. for W.P.A.; $125,000,000. for N.Y.A., and $60,000,000. for Farm Security. That is over on another table; I could not tell you the number of the page.

Q Will that indicate a shift from W.P.A. to some other form of relief?

THE PRESIDENT: No.

Q Why was the change made? We got this all under W.P.A. before?

THE PRESIDENT: Yes, they still are.

Q That is, the supplemental items will be W.P.A.?

THE PRESIDENT: But Farm Security was not.

Q This supplemental item would include the W.P.A.?

THE PRESIDENT: Oh, yes.

Q It does not imply the liquidation of W.P.A.?

THE PRESIDENT: No.

Q Is that for a limited length of time or twelve months?

MR. BELL: We hope it will last the twelve months.

Q You suggest no limitation on it?

THE PRESIDENT: It is the Annual Budget. You do not suggest any limitation on a regular budget. It is the fiscal year.

Q Can you break down that $750,000,000. supplemental item under 1939?

THE PRESIDENT: That is all W.P.A.

Q That will be for the remaining five months of the year?

MR. BELL: That is right. Farm Security and N.Y.A. got their money for the full year.

THE PRESIDENT: Then you come to a technical thing, loans, subscriptions to stock, et cetera, which goes from $271,000,000. to $120,000,000., and that has a supplemental item too. Dan (Mr. Bell), I think you are trying to conceal something. What is it?

MR. BELL: That is Commodity Credit.

THE PRESIDENT: So the total of the extraordinary expenditures drops from $4,241,000,000. down to $3,458,000,000.

So that, on your total expenditures, exclusive of debt retirement, you drop from a budget -- that is the important item -- you drop from $9,492,000,000. to $8,995,000,000. for the current fiscal year.

That leaves a net deficit of $3,326,000,000. as against a deficit in the current year of $3,972,000,000.

The increase in the gross public debt this year is $3,967,000,000. and for the following year it will be $3,326,000,000.

Dan, why is there a discrepancy between $3,972,000,000. and $3,967,000,000.?

MR. BELL: That is adjustment of some items in the general fund, such as the retirement of National Bank notes.

THE PRESIDENT: That leaves a gross public debt at the end of each fiscal year of $44,458,000,000. for next year as against $41,132,000,000. this year.

Now, that table is a new breakdown on a simplified basis. The real table is on page --

Q (interposing) Mr. President, could I go back to your gross public debt?

THE PRESIDENT: Yes, if you will wait one-half a second. The General Budget Summary you will find on page XXI, and that is the way it has been stated before, year after year, or you can use either one.

Q How recent is this estimate of 1939 deficit? When were those figures -- is that late?

THE PRESIDENT: Within two weeks.

MR. BELL: That is the one here (indicating). Yes, within the last ten days.

Q Mr. President, getting back to the W.P.A. or P.W.A., two items there, "Grants to public bodies, including administration" and "Other," those two items should be combined? Does that "Other" mean Federal allocations by the P.W.A.?

MR. BELL: Yes, to the various items. P.W.A. allocations to the departments and agencies of the Government.

Q The two items are P.W.A., Federal and non-Federal?

THE PRESIDENT: Yes.

Q In which item do the grants under Social Security, old age, et cetera, appear?

MR. BELL: Social Security is up under the second block.

Q This $750,000,000. for 1939, that means that some time in the near future you will ask Congress for a supplemental appropriation of $750,000,000.?

THE PRESIDENT: It is really more than that. This is the cash expenditure during the balance of this fiscal year.

Q So that it will be more than that?

THE PRESIDENT: Yes. We will ask for an additional amount between -- that is necessary for obligations before the first of July, and this represents only expenditures up to the first of July. I cannot give you the actual amount but it is a little more than this.

Q $850,000,000.?

THE PRESIDENT: I cannot give you the figure because you have to wait until we send it in to Congress.

Q Any part of the new National Defense Program coming out of the W.P.A. or N.Y.A. listed under the $210,000,000.?

THE PRESIDENT: No, do not mix them up.

Q You list this $210,000,000. for national defense as part of a $500,000,000. program, the balance to be, in a sense an authorization?

THE PRESIDENT: Not necessarily. In other words, that is a thing, of course, for Congress to determine entirely. We have been in the habit, the Army and Navy, of building them up two different ways. Well, take one illustration: There is the Vinson Bill which has set a naval building program for I do not know how many years ahead. Now, that is an authorization and Congress is very apt to do it that way because it makes it easier for a succeeding Congress to follow along on the program -- not that they always do. The other method is merely to authorize and appropriate both for the amount of money that can be spent in a year, provided that they are items which can be completed in a year.

Now, on this particular $210,000,000., it is part of a program which would take another two hundred and some odd million dollars to complete in another year or a third year, but we estimate that these expenditures -- well, I will give you a simple illustration: Airplanes: We hope that all the money we spend for airplanes out of this $210,000,000., the planes will be delivered, actually delivered and paid for by the thirtieth of June, 1940. Now, that does not mean that we have to, at this session of the Congress, authorize 50,000 planes or 20,000 planes. They can perfectly well, if they want, it is in their discretion, appropriate this $210,000,000. Perhaps on some of the items they will have to authorize the money on contracts for items that cannot be finished in the course of the following fiscal year.

I see no reason at this time -- this is off the record, merely for your information -- I see no reason why, since things are moving awfully fast in the world, we should lay down an enormous five-year or ten-year program for national defense. I think we ought to do as much as we feel we ought to do in the immediate future and then wait until next year and see what we have to do then. We are always hopeful that something will come out of the foreign situation that will allow us to cut down and stop going ahead with this vast program. So, all of this talk about a huge five and ten-year program is a lot of bunk.

Q I notice that you listed appropriations rather than expenditures of $500,000,000. Would you like for that to be appropriated by this Congress, or just $210,000,000.?

THE PRESIDENT: That is what we asked for. We asked for appropriations but only $210,000,000. would be spent this year.

Q In order to give us a clearer picture of just how much new equipment would be involved in this new national defense, could you or Mr. Bell give us an approximate breakdown of the $1,126,000,000. as to what proportion of that is for maintenance and salaries and present equipment and what proportion is for increase in expansion and new equipment?

THE PRESIDENT: I think those are all for things which carry along with the current program. There are a few items in there that are new in one sense but in accordance with previous authorizations for general objectives. For example, there are some Navy ships going into commission next year and therefore we are asking for an increase in the Navy personnel of what? -- 4,000 men?

MR. BELL: Something like that.

THE PRESIDENT: Something like that to man the new ships. Now that is under the regular $1,126,000,000. item.

Q Does the Army go up in proportion?

THE PRESIDENT: I think not.

MR. BELL: 165,000 men.

Q That is the force under the program to be submitted later. That is what you will give the details on next week?

THE PRESIDENT: Yes.

Q Do I say that only $210,000,000. will be spent?

THE PRESIDENT: Yes.

Q That is out of the $500,000,000.?

THE PRESIDENT: Yes, because some things you cannot pay for in one year. You do not get them delivered and you do not make the payments until you get them delivered.

Q Is that on warships?

THE PRESIDENT: All kinds of things.

Q The figure on page VII for the current year is $1,000,000,000. ($1,604,000,000.?) on W.P.A. Is that the item we concluded will be going down to Congress next week?

THE PRESIDENT: No, the $150,000,000. includes that.

MR. BELL: No, the $750,000,000. right below it represents the W.P.A. supplemental program.

THE PRESIDENT: That is in this fiscal year.

Q That is the deficiency appropriation that is to be asked for?

THE PRESIDENT: Yes.

Q In the column right adjoining that you have the W.P.A. for 1940 as a supplemental item also instead of regular. Does that mean a special Message will be sent up pertaining to that appropriation?

THE PRESIDENT: Yes.

Q 64,000 men will be added during the fiscal year on the Navy?

THE PRESIDENT: Yes, but you had better get that from the --

Q Isn't that contained in there?

THE PRESIDENT: It is in the book. I cannot tell you the page. The number of men -- this is the Navy at the end of 1938, that is last June, was 105,000; at the end of this year it will be 110,000 and we are asking at the end of 1940, for 116,000. That is 6,000 more. That is because of the new ships going into commission.

Q A99 (referring to the page number of the Budget Report) is the Navy. That is 116,000 from 110,000?

THE PRESIDENT: Yes.

Q It is not clear to me, this distinction between $7,000,000. for work relief (1940) and then $1,685,000,000. (for supplemental items)?

THE PRESIDENT: It is just stuck under a different heading.

Q That is what I did not understand, why there are two different headings. What is the difference?

THE PRESIDENT: (interposing) The $7,000,000. is a leftover from this fiscal year.

MR. BELL: It just came out that way.

THE PRESIDENT: I take it it is a reappropriation of money.

MR. BELL: It is a liquidation in 1940 of obligations incurred in 1939. These statements are on a cash basis and this is the cash going out of the Treasury.

Q What is included under direct relief?

MR. BELL: That represents the old Federal Emergency Relief Administration. That is the liquidation of the Farm Security direct relief in the farm areas.

THE PRESIDENT: Food and clothing.

MR. BELL: That is right.

Q That is on page A100 --

THE PRESIDENT: (interposing) Wait, you are going awfully fast.

Q Under the Navy appropriation you have got the Bureau of Aeronautics, which I assume is the Air Corps, increase from $48,000,000. for

1939 to $74,000,000. in 1940, an increase of about $25,000,000. Now, that is not going to be the sole increase?

THE PRESIDENT: No, this covers the existing program.

Q And there may be a supplemental program and that also holds good for the decrease which is noted for the Army and the Air Corps?

MR. BELL: That is right. The Army program in this Budget applies to the Army program that was outlined.

Q "Grants to public bodies, including administration," and also "Other." Does that mean that next year more cities can come down and get more money?

THE PRESIDENT: No; there is no further P.W.A. program listed in this budget.

MR. BELL: It is the liquidation of the old.

THE PRESIDENT: It is the liquidation of the old.

Q Those are payments on account of allocations made this year?

THE PRESIDENT: For example, as you know, probably the bulk of the P.W.A. allocations that have been made between last June and last week, they have to start, under the law, on the first of January and any that have not started on the first of January are out, but the very great majority are actually started today and the estimate of P.W.A., the rough estimate, is that there will be only $15,000,000. worth of projects which have not been started as of today. Now, all the rest of it, the great bulk, is in the stage today of -- what will I say? -- digging foundations, clearing the ground, the very preliminary work of construction. The actual peak of construction on P.W.A. probably won't be reached, they say, until April, maybe not until May. Now, that means that after they reach the peak, that same peak will probably be continued well into the end of the year. A great many of the projects, the simpler projects, like, for instance, my new high school in Hyde Park, will probably be under roof by next fall and the greater part of that money for that high school will have been paid out by the Treasury Department from a peak in April or May through until November or December. But there are a good many other projects which, under the law, do not have to be finished -- none of them have to be finished until the first of January, 1941. I think all projects have to be finished by then. The result is that you will have very large expenditures, the bulk of these expenditures on these P.W.A. projects, during the coming fiscal year ending June 30, 1940 and, in the budget a year from now, there will be that item still in there, a small one, for the completion of them between that first of July and the following first of January.

Q But no further P.W.A. program contemplated?

THE PRESIDENT: No.

Q This is a reappropriation of 1940 and there will be a reappropriation in 1941?

THE PRESIDENT: It is not even that. This is on a cash basis. There does not have to be a reappropriation. This is a cash basis. We are only spending so much this year and so much the following year and there will be a hangover the next fiscal year.

Q Are P.W.A. grants included?

MR. BELL: No, there is a loan figure. It is hard to put them together.

Q If you please, there is a slight conflict between your national defense figure on this page VII table and the one in the General Budget Summary. It is only of $6,000,000.

MR. BELL: I do not think you can compare the large summary with this table because we are trying to put all the public financing on this first, for the purpose of classification.

THE PRESIDENT: Then, we have an analysis on page VIII of these two groups. (Reading)

> "ORDINARY EXPENDITURES
>
> "The expenditure side of a budget may be divided into two major classes, namely--ordinary, which includes the operating expenditures for the normal and continuing functions of government, and extraordinary, which includes those expenditures required to meet the non-operating or the unusual costs of government.
>
> "General public works of an annual recurring nature may fall in either class, but in view of their flexibility they have been classed as extraordinary for the purpose of this statement.
>
> "The foregoing table shows that the excess of expenditures over revenues in the ordinary classification is attributable to various causes: New functions undertaken; more carrying charges on the national debt, though at lower interest rates; and the inauguration of the social security and agricultural programs. Under all of these classifications, new expenditures have been added without corresponding increases in taxes.
>
> "Fixed costs have also increased because of numerous new appropriations for grants and subsidies.
>
> "Another type of expenditure has been forced upon us in increasing volume by the real necessity for expanding our national defense. We are all aware of the grave and unsettling developments in the field of international relations during the past few years. Because of the conditions of modern warfare, we must now perform in advance tasks that formerly could be postponed until war had become imminent. A large part of additional national defense expenditures should, I think, be put in a special category on a temporary basis.

> "The operating expenses of the Government have also increased because of reductions in the hours of work of certain classes of Federal employees, and because of expansion of the normal functions of the Government with the growth of the country."

Q Mr. President, can you specify those classes of Federal employees?

THE PRESIDENT: One of them, for instance, is the Post Office people, forty hours a week; the Bureau of Engraving and Printing offices. (Reading)

> "Among the new governmental functions which have added to the costs of the ordinary budget, the farm program is outstanding. Soil conservation expenditures and other outlays for the crop adjustment program which are of a continuing nature and produce no direct return to the Federal Government have been only partially covered by new revenues.
>
> "A new, and partly self-financing, addition was made to the ordinary expenditures when the Social Security Act was passed to safeguard the economic security of a large portion of our population. However, no provision was made for revenues which would pay for grants to States for old-age assistance, for maternal and child welfare, for public health work, and for aid to dependent children and the blind, which expenditures in 1940 will approximate $286,000,000. Furthermore, consideration is now being given to plans for spreading the coverage of, and for revising the benefits under, the Social Security Act, and for improving public health facilities. These plans present major questions of future national policy and directly affect the Budget."

Q To get back to that paragraph on agriculture: You speak of expenditures which have been only partially covered by new revenues. Is it contemplated that the balance will be raised by a processing tax?

THE PRESIDENT: There is nothing said about that in here, not a word. (Laughter)

Q Didn't you lay down a rule over a year ago that all new expenses should be matched by taxes?

THE PRESIDENT: Yes, but not processing taxes. I come to a differentiation later on.

On the Social Security Act, for example, the two simplest suggestions of those recommendations on social security are the covering into Social Security, under the old-age pension plan, of the domestic servants of the country and the farm labor of the country. Obviously, two things would happen: In the long run it would be self-sustaining but, at the same time, the immediate effect would be to add vigorous proportions to the Budget itself.

(Reading)

"EXTRAORDINARY EXPENDITURES

"Beyond these questions of ordinary expenditures are those which relate to the nonoperating or unusual costs of Government and involve extraordinary expenditures that deal more particularly with the relationship between fiscal policy and the economic welfare of the country. These questions concern Government loans, capital outlays, and relief of need. Expenditures made under these heads are of such a flexible character as to provide, through their contraction or expansion, a partial offset for the rise or fall in the national income.

"The public has been showing an increased interest in the adoption by the Government of a form of budget which would conform more nearly to the practice followed in commercial business. There has been some criticism of the Government's practice of including in its budgetary expenditures, amounts disbursed for loans, or for self-liquidating projects, or for other extraordinary capital outlays which increase the wealth of the Nation."

In other words, just to simplify that, you all understand it but you can put it in much simpler language in your stories, it means that if, for example, the Federal Housing Administration were to borrow its own money and, three years from now, were to show a profit for the year, that profit would be covered in as receipts in the Budget. If, on the other hand, they were to show a deficit, the Congress would appropriate that deficit. But the amount of money which they borrowed -- of course, as a matter of fact, they are an insuring corporation and not a good example but, let us say, the Home Owners' Loan Corporation, they issue their own security -- if all these agencies were to finance themselves and not be a part of the Budget, the Budget would only reflect their profits one year or their loss another year.

That is what this discussion is about and we have got the Commodity Credit Corporation on that basis already. It is the only way.

Q These are the agencies the Chamber of Commerce says are the Government in business?

THE PRESIDENT: Yes.

Q Why didn't you include the T.V.A., which is also Government?

THE PRESIDENT: Why didn't I include the T.V.A.?

MR. BELL: Well, it is a mixture of power and flood control and there is a question of whether you can include it.

THE PRESIDENT: The T.V.A. ought to be included insofar as its Government in business operations go.

(Reading)

> "I recognized the merit of constructive suggestions of this nature by recommending in my last Budget Message a change in the method of financing

the requirements of the Commodity Credit Corporation. This recommendation provided for an annual appraisal of the assets and liabilities of the Corporation, and contemplated that any surplus from operations or any impairment of capital resulting from losses be reflected as receipts or expenditures in the annual Budget. Under this method the Budget would be affected, not when the investment or loan is made, but in the fiscal year when the surplus or loss occurs. Congress approved this recommendation in the act of March 8, 1938, and it might well give consideration to an extension of this principle to other governmental corporations and credit agencies, such as:

"Agencies under the Farm Credit Administration
Electric Home and Farm Authority
Export-Import Bank of Washington
Farm Security Administration
Federal Crop Insurance Corporation
Federal Savings and Loan Insurance Corporation
Home Owners' Loan Corporation
Inland Waterways Corporation
Panama Railroad
Reconstruction Finance Corporation
Rural Electrification Administration
U. S. Maritime Commission

"Public projects of a self-liquidating character represent another class of expenditures appearing in the annual Budget as current outlays, to which this principle might also be applied. For example, outlays for the Boulder Canyon project amounting to more than 120 million dollars have been included in annual budgetary expenditures of the Government, notwithstanding that the total cost of the project, including capitalized interest during the period of construction, will be returned to the Government within 50 years, with interest.

"While I do not advocate that the Government capitalize all of its expenditures for physical improvements, it seems to me that such portions of the cost of public projects as are clearly self-liquidating should occupy a separate category in budgetary reporting."

Right on those five words the thing hinges, so this is absolutely sound from that point of view. In other words, I want the Government to do what a bank does. If a bank wants to finance some project which will pay for itself, what does it do? It lends on a first mortgage on fifty per cent of that project because there is absolutely no human probability, thinking in terms of a careful, conservative banker, that he will lose the fifty per cent of the money that the project will cost; that is because of the junior money, which is the equity money and therefore subject to the risk. The Government ought not to put down as a definite recovery item the equity in these projects. In other words, I follow strictly, one hundred per cent, the normal rules of banking.

Q For example, suppose on that Boulder Canyon Project the Government had not entered the expense of $120,000,000. in the Budget but only such capital share as you have suggested. Then, each year, as this money is repaid, you enter, as receipts to the Treasury, the profits of that operation. At the end of fifty years, let us say, you have a series of Budget statements showing an income of $120,000,000. but no offsetting item showing the expense of the Government in setting it up. Won't the Government be $120,000,000. plus?

THE PRESIDENT: No. What you are coming down to is this: that as the returns come from Boulder Dam, not just the interest but the amortization, you immediately, each year, cut down two per cent of the original $100,000,000. or whatever amount it is. We pay off the debt. We use it as the straight payment of that debt.

Q In other words, apply the income to the retirement of the debt?

THE PRESIDENT: Yes.

Q Would you apply that rule on construction projects to the Government's investment, its equity in lending corporations like the

Federal Farm Loan Corporation?

THE PRESIDENT: I think so. The Commodity Credit is doing it today.

Q Do you need legislation to undertake a budget of that kind?

THE PRESIDENT: Yes. For instance, you remember in R.F.C., the predecessor to Dan (Mr. Bell) as Director of the Budget -- who was it?

Q Mr. Douglas.

THE PRESIDENT: President Douglas of McGill University. (Laughter) He told everybody, told the Press first and then told me afterwards, that Jesse Jones would only get fifty per cent of his money back and, with a very long face, he kept saying that and of course it was printed. Everybody believed that poor old Jesse was going to lose fifty per cent of all the loans he made. Jesse Jones was fit to be tied. He said, "I do not know that I will get one hundred per cent back, with interest. My best guess is that I will get one hundred per cent back. I may make some losses but the losses won't exceed, in fact they will be less than, the interest that I am getting on these expenditures. Therefore," said Jesse Jones, "I will bet my last dollar that I will get my capital back." Well, we have been doing it for four years and Jesse Jones has proved that he is right. He will undoubtedly have a lot of capital losses but you take all the money that Jesse has loaned out and you will find that his original capital, using the interest to offset the losses, he will come through one hundred per cent.

Q What I was getting at is, could we consider the capital investment, the equity investments of these corporations as assets of the Government?

THE PRESIDENT: Again I think it is a question of using the same methods as careful banks use. I do not think we should capitalize the equity.

Q Then we should count these contingent liabilities as part of the Government debt?

THE PRESIDENT: Yes, that is true.

Q Do I understand that you advocate these people going to the market and financing themselves?

THE PRESIDENT: In most cases they are doing it more and more. Jesse (Mr. Jones), you know, is getting out his own notes this year for the first time.

Q Should we construe this as a recommendation to Congress, as a recommendation?

THE PRESIDENT: For study of this.

Q In the beginning of relief, the very first relief was given as loans to states, and the states were to pay back that money. The next Relief Bill said that no money could be taken. The R.F.C. carried that for a long time as assets and in the last session I understand that was transferred to the Treasury. Does the Treasury carry it as assets or liabilities?

THE PRESIDENT: Of course if you set up any plan of this kind you have to run the risk of some fool Congress in the future kicking it overboard. That is always possible under our form of government. You cannot tell. They might, if you had borrowed some Government money on your home, some kind Congress in the future might forgive you the money because they liked you.

Q. Is there any hope for that, Mr. President? (Laughter)

THE PRESIDENT: (Reading)

> "Our financial statements, of course, should clearly reflect, in appropriate classifications, the amount of Government outlays for physical improvements that are not self-liquidating in character. We must take into account the necessity for making such of these and other changes as will permit the presentation to the Congress and to the public of more accurate and intelligible statements of the financial operations of the Government."

And, when I said that, I made a liar out of a lot of papers you represent. That is an absolutely true fact and a perfectly provable one, though a lot of papers have printed the opposite.

(Reading)

> "I should like to call your attention to the following table comparing for the 10-year period the amount of the Federal deficit and the increase in the public debt, with the amount included therein for capital outlays. It should be understood that this table is not intended to represent values on an earning basis. Nevertheless, under our policy of expanding capital outlays to compensate for variation in private capital expenditures and of making loans to meet emergency needs of our people, the table clearly shows that the greater part of the deficits and the larger part of the increase in the public debt have gone for permanent additions to our national wealth."

Now, please underscore that and make a note of it.

> "Let us all fix that fact in our minds so that there shall be no doubt about it and so that we may have a clear and intelligent idea of what we have been doing. We have not been throwing the taxpayers' money out of the window or into the sea. We have been buying real values with it. Let me repeat: The greater part of the budgetary deficits that have been incurred have gone for permanent, tangible additions to our national wealth. The balance has been an investment in the conservation of our human resources, and I do not regard a penny of it as wasted."

I said to Herbert (Gaston?) to put in something that will drive this home, to put it in so that the press will print it, so he wrote that last paragraph.

Now, here is the table: (Referring to the table on page XI of the Budget) You see how it runs. You can study that table.

Direct Federal public works, starting in 1931, on the left-hand side, were $247,000,000. to $465,000,000. in 1940; $605,000,000. this year.

Recoverable loans and investments ran from $263,000,000. (in 1931) up to $234,000,000. this year and $123,000,000. next year.

Public roads from $174,000,000. (in 1931) to $232,000,000. this year and $213,000,000. next year.

The Civilian Conservation Corps work was $290,000,000. this year, $285,000,000. next year.

New construction projects of Works Progress Administration are $734,000,000. in 1939 and $488,000,000. next year.

Grants to public bodies for public works, $392,000,000. this year and $366,000,000. next year.

Now, those totals in those years ran very, very close, as you will notice, to the two top lines, the deficit, excluding debt retirement, and the increase in gross public debt. In other words, that is the proof of what was said in the two previous paragraphs.

Q Why do you include the stabilization item?

THE PRESIDENT: I don't; that is down there so somebody won't say we left it out. It is not, strictly speaking, a recoverable item. Of course, we are going to suggest the renewal of the stabilization fund life. In other words, if Congress does not renew that $2,000,000,000. stabilization fund, it becomes an immediate asset of the Government which can be used for any purpose whatsoever.

It can be used to reduce the public debt, or build highways, or anything else. But I do want to say this, that there has been a good deal of loose talk about the stabilization fund. I do not think I am telling stories out of school. You know, you read in the papers in the past couple of days about the British stabilization fund being pretty hard hit. Actually, our stabilization fund has operated now for three years and we are rather proud of the fact that it not only is not less than the $2,000,000,000., but it is actually more today than it was in the beginning and, at the same time, it has given our foreign exchange, as you all know, a more stable position through these three years than the foreign exchange of any other nation in the world. In other words, it has been doing what we think is a darned good job for our foreign trade.

Q What is the profit? You can divulge that under the law, if you wish to.

THE PRESIDENT: It was secretly told to the Senate Committee last spring and you people got it an hour later, so it is all right.

Q This item of $3,234,000,000. of recoverable loans and investments, does that include the capital stock and surplus of the many agencies which are in the lending business?

MR. BELL: Yes.

Q Do you think it would be recoverable without liquidating the affairs of those corporations?

MR. BELL: Of course not.

THE PRESIDENT: No. Just the same way you get stock in the bank. You cannot get your money back, practically, unless you liquidate the bank or have a market.

MR. BELL: Unless you find some other way.

THE PRESIDENT: Unless you find a sucker.

Q On this public roads, will the Government recover anything from this expenditure?

THE PRESIDENT: No; that comes down to permanent additions to national wealth.

(Reading)

"A year ago I recommended an increase in work relief, public works, and other related expenditures to check the downward spiral of business. The program undertaken at that time has contributed materially, I believe, to the existing upward movement of business and employment; and I feel that the business men and farmers and workers of the country, no less than the unemployed, are entitled to an assurance that this program will not be curtailed arbitrarily or violently.

"The actual cost of work relief and similar expenditures goes down after jobs are found by the workers on these rolls. A violent contraction, before the natural expansion of private industry is ready to take up the slack, would mean, not only human misery, but a disruptive withdrawal from American industry of a volume of purchasing power which business needs at this time. The necessity of increasing Federal expenditures a year ago to check a recession is a well-known fact. Any decision to decrease those expenditures now that recovery has just started would constitute a new policy which ought not to be adopted without full understanding of what may be the result.

"May I say emphatically that I am not suggesting an ordinary budget which is always balanced and an extraordinary budget which is always unbalanced. The ordinary expenses of government should continue to be met out of current revenues."

And, incidentally, they have been right along, except for one year when they were about $10,000,000. out.

"But I also hope that those revenues in times of

> prosperity will provide a surplus which can be applied against the public debt that the Government must incur in lean years because of extraordinary demands upon it.
>
> "I believe I am expressing the thought of the most far-sighted students of our economic system in saying that it would be unwise either to curtail expenditures sharply or to impose drastic new taxes at this stage of recovery. But in view of the addition to our public expenditures involved in the proposed enlarged national defense program and the program for agricultural parity payments, for which no revenue provision has yet been made, I think we might safely consider moderate tax increases which would approximately meet the increased expenditures on these accounts."

And thereby, off the record, hangs a tale. As I remember it, Pat Harrison (Senator Pat Harrison) gave assurances last spring that there would be taxes provided to take care of the additional agricultural parity payments and nobody has come across with it yet. In other words, it might be called a deferred pledge, as yet unfulfilled.

Q Are those the only new taxes which we are considering?

THE PRESIDENT: No. Some form of tax -- no form of tax but an amount of revenue to offset it to a total of $212,000,000. was promised.

Q That is the only additional --

THE PRESIDENT: (interposing) That is the only thing that was promised last session.

Q Will you also want the taxes for that national defense?

THE PRESIDENT: And national defense.

Q That would mean $512,000,000.?

THE PRESIDENT: No, national defense --

Q (interposing) With national defense, $422,000,000.?

THE PRESIDENT: That is right. In other words, what I am saying in effect is, "Carry out your promise and give me $212,000,000. additional revenue and add to that $210,000,000. for national defense, or a total of $422,000,000."

Q Do you plan to suggest a means?

THE PRESIDENT: No.

(Reading)

> "It should be added, however, that it is my firm conviction that such new taxes as may be imposed should be most carefully selected from the standpoint of avoiding repressive effects upon purchasing power.
>
> "Sound progress toward a budget that is formally balanced is not to be made by heavily slashing expenditures or drastically increasing taxes. On the contrary, it is to be sought by employing every effective device we may have at our command for promoting a steady recovery, which means steady progress toward the goal of full utilization of our resources. We can contribute very materially toward that end by a wise tax program.
>
> "I am recommending the reenactment of the excise taxes --"

That includes also the 3-cent postage.

(Reading)

> "-- which will expire in June and July of this year, not because I regard them as ideal components of our tax structure, but because their collection has been perfected, our economy is adjusted to them, and we cannot afford at this time to sacrifice the revenue they represent. If the Congress should at this session adopt new taxes more scientifically planned to care for the defense and agricultural programs, it is quite possible that the existence of these new taxes will enable us in a later year to give consideration to abolishing some of the present excise levies.
>
> "The revised estimate of receipts for the fiscal year 1939 as contained in this Budget is $5,520,070,000, and of expenditures, $9,492,329,000, leaving a deficit of $3,972,259,000."

Q At that point, the revised taxes for this current year, there has been an increase of half a billion dollars over your July estimate. Can you tell us what the basis of that increase is?

THE PRESIDENT: Not on taxes; receipts, you mean.

MR. BELL: Better business than was contemplated.

THE PRESIDENT: The way to put it is that, suppose beginning about September the Treasury experts began revising their estimates upward and by November they were still a little better and the last word, about ten days ago, they were still better.

Q If the Congress does not meet the $422,000,000., the deficit would not be increased by that amount?

THE PRESIDENT: No. This is without any increase. An increase in taxes of $422,000,000. would take that amount off the estimated deficit.

Q It is estimated by the Treasury that that would be raised by excise taxes. Would it make any difference to you what kind of taxes would raise it?

THE PRESIDENT: I mentioned that in my Annual Message, the paragraph that related to taxes which, in effect, are a drain on national income, and other taxes which, because of their form, are not a drain on national income. The simplest illustration you can get is the tax you pay on your cigarettes, which puts a direct drain on national income because almost everybody in the country, including the ladies, use cigarettes and probably ninety-eight per cent of the cigarettes smoked are smoked by comparatively poor people like us. It is a direct drain on national income. On the other hand, estate and inheritance taxes are not direct drains on national income. They fall into the category that does not hit the spending power of the country.

Q Does this tax program -- do you have in mind the probability that there will be reciprocal taxation on Federal and state bonds and salaries?

THE PRESIDENT: Well, I have not said anything about it. I thought I would hold it until a little later, what I am going to say about taxes on all bonds issued by any public body, state, local, municipal or Federal, and also income taxes on all Government employees, Federal, state and local. And, of course, as you know, it is a very simple proposition. Most people in the country are for it and, also, there is a division among those people as to whether they think it is constitutional or not, and there is a respectable opinion that it would be constitutional to do it, and other people say it would not. I think that the best way to get a decision is to pass a law and submit it to the Supreme Court.

Q Do you think Justice Holmes was right when he said that members of the Supreme Court should pay a tax?

THE PRESIDENT: I could not comment on that out loud but I suggest you read the sixteenth amendment again. That is all you have to do.

Q That would not amount to more than $100,000,000.?

THE PRESIDENT: But gradually it would pick up over a period of years.

Q The figure I saw was not over $100,000,000. and I think you have over $400,000,000.?

THE PRESIDENT: I think that is rather low.

Q Those salaries are awfully low?

THE PRESIDENT: Yes, but a lot of them come under it.

Q Is this information you are speaking of, is that for our use?

THE PRESIDENT: I think you can use it. Don't you think so?

MR. BELL: It is in with your story.

THE PRESIDENT: It is a repetition of what I said last spring. If you tie it in with your story, it is all right.

Q If the Congress should, at this session, adopt new taxes, will there be any specific recommendation for new taxes?

THE PRESIDENT: Probably not in the form of a Message. There will be the usual consultations between the committees and the Treasury.

Q You won't have a Tax Message?

THE PRESIDENT: No.

Q Does that contemplate lowering the brackets on income taxes?

THE PRESIDENT: I suppose they will talk about it up there and talk to the Treasury.

Q You are not going into the detail of the readjustment of the various Departments but, reading it hastily, I got the impression that there is a fairly moderate increase in personnel and buildings. Do you think I have the right impression on that? I am for the Federal establishment.

THE PRESIDENT: Yes, you are right, Earl (Mr. Godwin). The reason is this, that Congress keeps on giving, each year, almost every Department, some new job to do. That is the size of it. And the only way (to save money) is, (1) to appropriate too little money and not do the job we are ordered to do, or (2) cut out the job, cut out the task.

Q Would you or Mr. Bell say it is about an average increase?

THE PRESIDENT: Taking it by and large, it is less than an average increase.

Q I have to insert here that you do not favor the processing tax?

THE PRESIDENT: It is just like all the other taxes. Do not make any inferences because I have not mentioned any by name.

(Reading)

> "The estimated receipts for the fiscal year 1940 amount to $5,669,320,000, and the expenditures for that year are estimated at $8,995,663,000, resulting in a deficit of $3,326,343,000."

On the rest of these, under recommendations, the first is to extend the present taxes; the second is the 3-cent postage, and the third is the C.C.C. and I am asking that it (the C.C.C.) be continued at this session beyond its legal death day of June 30, 1940, and the reason is that if we wait until the spring of 1940 to extend it, it actually costs the Government money because the C.C.C. has to make its plans ahead and if the Congress will extend the life this year over the next year or two or make it permanent -- it does not make an awful lot of difference which -- it will save the Government money.

Q In the gross public debt at the end of the fiscal year 1940 you are coming up to the amount of $44,000,000,000. Isn't that close to the legal limit?

THE PRESIDENT: Yes.

Q Will you ask for any more?

THE PRESIDENT: Probably there will be a request for the expansion of the legal limit.

Q On page XVI, in the second paragraph there, the second sentence, you say, "Supplemental estimates of appropriations will be submitted to meet the requirements of the Works Progress Administration, the National Youth Administration, and the Farm Security Administration for the fiscal year 1940." Does that mean supplemental estimates beyond and above those contained in this Budget?

THE PRESIDENT: No, it does not. What it means is this: that the actual figures for W.P.A. -- as last year and the year before -- we are not going to submit until we know more about it. That will be about April, as we did last year and the year before.

Q The figure is given?

THE PRESIDENT: The figure is given; that is, our estimate at the present time and, as far as we know, it won't be added to.

Q You are hoping that this will cover?

THE PRESIDENT: Yes.

Q On page A90 you have listed at least three Government credit corporations which are due to expire by law on June 30, 1939. They include the Commodity Credit Corporation, the Electric Home and Farm Authority, and the Export-Import Bank of Washington. For that reason no estimate is included in the 1940 Budget. Can you tell us now whether you intend to ask for the continuation of all those agencies after that time?

THE PRESIDENT: I think so.

Q All three?

THE PRESIDENT: Yes. There is an amount in the supplemental that would take care of that if their lives were extended. In other words, administrative expenses.

Q Under the heading, "Appropriations," the last thing in your Message, you have it that the total appropriations which will be sought from Congress for 1940 will be $10,190,000,000., whereas the total expenses were to be $9,000,000,000. Can you give us any breakdown of the difference between those items?

THE PRESIDENT: Reappropriations.

Q Anything in here for counter-espionage?

THE PRESIDENT: Yes, there were some increased items for F.B.I., Naval Intelligence and the Military Intelligence.

Q The Military increase is $35,000.?

THE PRESIDENT: Yes.

MR. BELL: The Navy is a little higher and the F.B.I. is $75,000.

Q What do they total, the increase?

THE PRESIDENT: $125,000.

MR. BELL: Or $150,000,; I do not remember the exact figure.

Q Have you also increased the personnel of the Secret Service?

THE PRESIDENT: Not the Secret Service, no.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #515,
Executive Offices of the White House,
January 6, 1939, 10.46 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news today. The only thing I have got is a letter from the Attorney General this morning reporting that the Department of Justice has undertaken an investigation of alleged violations of criminal statutes which are reported in one of the sections of the Dies Committee Report. These include possible violations of Federal Criminal Statutes by Nazis, Communists and certain other organizations operating in this country. That is all I know about it.

Q Would that be available to us textually, that letter or any part of it?

THE PRESIDENT: No, just this statement that I have given you: "The Department of Justice has undertaken an investigation of alleged violations of criminal statutes which are reported in one of the sections of the Dies Committee Report. These include possible violations of Federal Criminal Statutes by Nazis, Communists and certain other organizations operating in this country."

Q Mr. President, there was a story which appeared in this morning's paper in which it is said that you had requested the legislative leaders to oppose the request of the Dies Committee for $150,000. to carry on this work.

THE PRESIDENT: I am afraid I will have to characterize that as I have characterized so many reports in the past, as a newspaper story.

Q Have you received a report on German aircraft from Colonel Lindbergh?

THE PRESIDENT: No.

Q Have you received any kind of a report from him?

THE PRESIDENT: No; that is another one.

Q Do you know anything about that Lindbergh story at all?

THE PRESIDENT: Not a thing.

Q Do you care to discuss your meeting yesterday with Secretary Woodring and a group?

THE PRESIDENT: Oh, we made progress.

Q Any report coming?

THE PRESIDENT: Yes.

Q Any definite date set on that?

THE PRESIDENT: Monday, Tuesday or Wednesday.

Q Do you plan to continue Commissioner McNinch on the Communications Commission or send him back to the Power Commission?

THE PRESIDENT: I should say he would stay right where he is until further notice.

Q Have you received a report on the Veterans' Hospital for southern Illinois?

THE PRESIDENT: I don't think I have. Have you seen it, Mac (Mr. McIntyre)?

MR. McINTYRE: No, sir; it has not come over.

Q Have you made any further progress with appointments, such as the District Commissioner and the three Judges for this District?

THE PRESIDENT: No, not at all.

Q How about the Comptroller General?

THE PRESIDENT: No, I have not done anything. I have been too busy with speeches and I probably won't look at the possibility of appointments until I finish writing a speech for tomorrow night.

I have not done anything on it yet.

Q How about Donald Wakefield Smith?

THE PRESIDENT: Same thing applies.

Q I see stories --

THE PRESIDENT: (interposing) I have not taken it up.

Q Do you contemplate sending a special Message to the Congress on the revision of the Social Security laws, or will your statements in the regular Message cover all you have to say about that?

THE PRESIDENT: I don't know yet; I do not know. I may send up -- I have not made up my mind -- send up the report that was made either to the Committee, which would be in letter form, or in the form of a Message, I do not know which.

Q What about railroads; would that be a special Message?

THE PRESIDENT: That I do not know, either.

MR. EARLY: The Committees have already received that report.

THE PRESIDENT: Yes, the Committee's report has actually been sent up.

Q Would you care to comment on the Hepburn report made by the Navy, calling for about twenty-five additional bases for naval defense?

THE PRESIDENT: That was in reference to a request made by the last Congress.

Q Did you instruct Ambassador Phillips to propose to the head of the Italian Government the settlement of refugees in Ethiopia?

THE PRESIDENT: You will have to get that information from the State Department, and I do not think you will get any.

Q We will get "No" in five thousand well-chosen words. (Laughter)

Q In view of the new public debt, would you care to say whether, in your opinion, there is any point in which the public debt may constitute a threat to Government credit? There has been a lot written lately.

THE PRESIDENT: I know there has, by such major prophets, and I am such a minor prophet that perhaps I had better not make any.

Q When are you going to send up your Philippine Message, Mr. President?

THE PRESIDENT: Philippine? I think early next week. I have invited Frank Sayre to come in today or tomorrow and it will go up next week.

Q Why is Congressman Jones (Marvin Jones, of Texas) here?

THE PRESIDENT: I did not know he was here. (Mr. Jones stepped up to the President.) Marvin says he is. I suppose Marvin wants to talk about agriculture.

Q Really? (Laughter)

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #516,
Executive Offices of the White House,
January 10, 1939, 4.10 P.M.

Q Mr. President, why did you say in your Message, "on the state of the Nation," instead of "the state of the Union"?

THE PRESIDENT: Just to vary it a little bit.

MR. DONALDSON: All in.

THE PRESIDENT: The only news is that I have not yet -- a most curious thing happened. Last night I read the papers and I found that I had read the Defense Message to the four gentlemen yesterday morning. Actually I have not begun to write it yet, twenty-four hours later. However, of course the papers cannot be wrong so I think I must have a dual personality.

Q (Mr. Godwin) We were informed that you were working on it.

Q (Mr. Young) Did you read any of the written parts? (Laughter)

THE PRESIDENT: But the story did not say I was working on it. The story said that I had read it to the four gentlemen yesterday morning.

Q Let us get down to the facts, did you read any of those written parts? (Laughter)

THE PRESIDENT: I did not read anything of it. I haven't got a thing written -- not one word, either written or dictated.

Q Have you started on the Social Security?

THE PRESIDENT: No, not yet.

Q What are the prospects?

THE PRESIDENT: The prospects are that I am going to begin dictating it (the Defense Message) this afternoon, and I will work on it for half an hour but I won't be able to get it up until Thursday.

MR. EARLY: The Senate has adjourned until Thursday.

Q In connection with national defense, Representative May, on the floor of the House, today suggested that the CCC be used as a nucleus for the training of military reserves. Anything you care to say about that?

THE PRESIDENT: No. That was turned down a long time ago. The CCC, we want it just exactly the way it is, without military training in it.

Q Have you decided on the third member of the Air Safety Board of the Civil Aeronautics Commission?

THE PRESIDENT: Not yet. I have not had any time to think of an appointment since last Saturday night.

Q It is understood that the House Appropriations Sub-committee has reduced the WPA appropriation from $875,000,000. to $725,000,000. Will you insist on the full $875,000,000?

THE PRESIDENT: I have no news on that. However, if I were writing a story, what I would try to do would be to try to figure out how many people would have to be thrown off relief between now and the first of July -- human beings.

Q There has been some suggestion up there that an appropriation be made until April and, in the interim, an investigation be made to determine the actual needs of WPA and then there can be a second appropriation to finance WPA from April until the end of this fiscal year. Representative Martin, the minority leader, said that is the humane way of handling the problem. Would you care to comment on that?

THE PRESIDENT: Except that that is only one of the suggestions being made all the time.

Q How many people would be thrown off?

THE PRESIDENT: That you have to find out. I don't know. In other words, unfortunately in my position I have to think in terms of total demands and general, broad policy. I have to think in terms of individual human beings and that is a rather important factor -- individual human beings, men and women and children.

Q Doesn't Congress have to think about that, too?

THE PRESIDENT: I am not saying anything about what Congress has to think of. I am saying what I have to think of.

Q I think 50,000 are the figures.

THE PRESIDENT: You are probably all wrong. Go and check again. You have not done your homework.

Q Mr. President, do you intend to send to the Congress a special Message on railroads -- on railroad legislation?

THE PRESIDENT: I don't know. I have not done anything about that. I will probably have another talk with Burt Wheeler in the course of the next week about the general railroad problem.

Q Who?

THE PRESIDENT: Burt Wheeler.

Q Are you considering the appointment of Marvin C. Harrison, of Cleveland, -- appointment to the White House Secretariat?

THE PRESIDENT: That is a new one on me. I have not heard anything about it.

Q You were speaking about the need of training nurses at Freedmen's Hospital and you said there were going to be some final --

THE PRESIDENT: (interposing) Yes? That was John Dingell?

Q That was Ross Collins a few weeks ago.

THE PRESIDENT: I talked to John Dingell about it today.

Q Have you anything to say about it?

THE PRESIDENT: No, except a good many people feel that the present estimate for Freedmen's is still insufficient to train enough colored nurses. As I understand it, there are only two, or possibly three, hospitals that train colored nurses in the whole of the United States. I think I am right on that. And of course the need for colored registered nurses is very, very large. The number we turn out here at Freedmen's Hospital practically is not adequate even for the District of Columbia.

Q Mr. President, when you speak of estimates for Freedmen's --

THE PRESIDENT: (interposing) I am having the thing studied.

Q I don't recognize that name, John Dingell?

THE PRESIDENT: He is a Representative, of Detroit.

Q When you speak of the estimates, you realize that that is up to the Interior Department, do you not? Not the District of Columbia.

THE PRESIDENT: Not the District of Columbia.

Q Collins is Chairman of the Committee.

THE PRESIDENT: Yes, Collins is Chairman of the Committee. It is in the Interior Department, that appropriation, but I am questioning as to whether Bell and myself did not cut it too fine.

Q Who are you having studying that?

THE PRESIDENT: Various people.

Q Mr. President, there is considerable bewilderment up on the Hill as to why you rejected Senator Downey's recommendation for the Federal Judgeship of Southern California.

THE PRESIDENT: Rejected what?

Q Apparently they got reports up there that Pierson Hall had been turned down by the White House.

THE PRESIDENT: The thing hasn't come up here, otherwise the report might be right. (Laughter) I never heard of it. It sounds like the other end of the Avenue.

Q May we go back to that minor matter again? Is Representative Dingell a member of the committee who would have to do --

THE PRESIDENT: (interposing) No, I talked to him in connection with other things, entirely separate.

Q There was a report that you were going to appoint Tom Corcoran to the position left vacant by the resignation of Lamar Hardy?

THE PRESIDENT: That is another one. Tell me some more.

Q There is a report that you are going to leave on February eighteenth for a cruise.

THE PRESIDENT: This is good. They are getting better. The truth of the whole matter is that there are no plans beyond tomorrow.

Q The Star says there are. (Laughter)

Q No, it is the AP that says there are.

THE PRESIDENT: I told you that a dozen times. I have absolutely not a single plan. Although I do hope to get away on a cruise at the end of February.

Q Will you be leaving Washington for the great Port of Miami?

THE PRESIDENT: That depends largely on Mac (Mr. McIntyre).

Q Have you reached any decision on the tonnage of the next two battleships?

THE PRESIDENT: I don't know what the status of that is. What do you mean, the last two out of the six, or the next two?

Q The next two in the budget, sir.

THE PRESIDENT: I don't think so. I don't think there has been anything on that. The last two were still to be the same size.

Q Mr. President, I have a Russian primer and a Nazi primer and I would like to have an American primer.

THE PRESIDENT: Would you? (Laughter) Well, I have got a very, rather old 1770 book -- "The Sayings of Benjamin Franklin." I think that might help you. It is pretty good.

Q Not quite up to date, is it?

THE PRESIDENT: Yes, very much up to date. It has everything, including social relations -- if you are familiar. (Laughter)

Q Not the "Poor Richard" philosophy?

THE PRESIDENT: Yes.

MR. YOUNG: Thank you, Mr. President.

Q Mr. President, can you tell us anything about your conference with the two Ambassadors yesterday?

THE PRESIDENT: Oh, no; we talked about world affairs -- Europe, Asia, Africa, America.

Q Could you tell us why they went before the Military Affairs Committee instead of the Foreign Affairs Committee?

THE PRESIDENT: Because they were asked.

Q By the Committee?

THE PRESIDENT: Yes.

Q Could you give us any more definite word about Donald Wakefield Smith? There still seems to be a lot of bewilderment.

THE PRESIDENT: I told you that since last Saturday evening at the banquet I have not talked. I picked that date because during the banquet there were at least eighteen different recommendations made to me and I have not had any since.

Q Is Charlie West, as White House liaison, on the payroll of the White House?

THE PRESIDENT: Not that I know of. I would be very much surprised if he were, but, of course, he may be.

Q Can you tell us what has been the reaction to your Jackson Day speech?

THE PRESIDENT: It depends on who you read. (Laughter)

Q I meant the letters you received.

THE PRESIDENT: I don't think I have had any letters at all. I had a lot of telegrams and I think this time there was not one unfavorable telegram. It is a little early for the letters. I suppose I have had seventy-five or a hundred telegrams.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #517,
Executive Offices of the White House,
January 13, 1939, 10.40 A.M.

THE PRESIDENT: I got a report from the Library of Congress that since last Tuesday's Press Conference there has been a tremendous demand for the works of Benjamin Franklin. (Laughter)

Q I meant to ask you, you said, "The Sayings of Benjamin Franklin" --

THE PRESIDENT: (interposing) I don't remember the name of the book.

Q But it is by Franklin?

THE PRESIDENT: Oh, yes.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news at all this morning.

Q Mr. President, in connection with your Defense Message, there wasn't any mention there of any program of training mechanics. Can you tell us anything about what progress has been made on that?

THE PRESIDENT: That we have not any story on as yet because we have not finished our study.

Q Too early to ask for any reaction to your Message yesterday?

THE PRESIDENT: I have not heard anything from it except from the Senators and Congressmen who came by in line and said that they liked it.

Q Anything from the State Department?

THE PRESIDENT: No. There may be but I have not read any dispatches yet.

Q Any appointments in sight today, or isn't the Senate in session?

THE PRESIDENT: No appointments, no.

Q Any successor to Lamar Hardy yet?

THE PRESIDENT: No.

Q Mr. President, does this new plan of Senator Wagner's for $800,000,000. more for housing come within your budget estimates, or is that out of the budget?

THE PRESIDENT: I don't know. What is it?

Q He has put out a statement about putting a bill in for $800,000,000. more for the U.S.H.A.

THE PRESIDENT: I don't know. I can't tell you because I have not studied it. Didn't I raise the limit a little while ago?

MR. EARLY: That was Federal Housing.

THE PRESIDENT: Then I don't know; I cannot tell you.

Q Is there a sufficient plant in this country for the manufacture of these planes as fast as we need them?

THE PRESIDENT: Yes, probably this amount of planes can be taken care of in existing plants. It means, however, that they will have to work two and some of them three shifts. Of course the bottleneck in making planes is in 15% to 20% of a specially skilled labor. The other 80% or 85%, the mechanics, can be developed fairly fast, or mechanics who are already working on other things, like automobiles, can be used. The bottleneck lies in that 15% or 20%.

Q Does that also include jigs and tools? Is there a bottleneck in them?

THE PRESIDENT: Not for airplanes but for other things.

Q Are there any proposals to have a reserve of jigs and tools rather than to build --

THE PRESIDENT: (interposing) That is in that $32,000,000. item. I cannot give you a breakdown as to what particular tools they are. I guess they are included in that $32,000,000. item.

Q But there is a plan for the expansion of production facilities in the event of need rather than a definite increase in the total production capacity of existing plants?

THE PRESIDENT: Yes, that is the point.

Q In this plant building program, does the Administration intend to work under the same system we have in the Navy -- that is, half in private plants and half in navy yard construction?

THE PRESIDENT: No. On this particular program they will be built in private plants except certain experimental planes like, for instance, the Philadelphia Navy Yard turned out three or four planes a year of an experimental type. That is not part of the general program.

Q Along that line, how about antiaircraft and tanks, etc.? Is there an existing Government plant sufficient to take care of this or will they be sent to private plants?

THE PRESIDENT: Guns will probably be made in Government plants since nearly all of our guns are made in Government plants. I don't know who makes the tanks.

Q The tanks, I think the largest part are made up on Rock Island Arsenal, and that is true of antiaircraft, but I did not know how far private plants are geared to take care of that construction. It is pretty intricate.

THE PRESIDENT: I don't know, but on guns we have probably enough capacity in the Navy Yard.

Q Have you any engagements today?

THE PRESIDENT: I think so. Not very many.

Q Will you need any special roads to move these mobile antiaircraft units?

THE PRESIDENT: Roads?

Q Highways?

THE PRESIDENT: No. Except, of course, there is still a good deal of conversation about and interest in transcontinental and north-and-south highways, and there are a good many people who are studying main, through highways as a method of putting WPA labor to something that is useful, on the general theory that in a great many localities the immediate needs, the essential needs of the localities have been pretty well taken care of, such as schools and local roads and sewers, et cetera, water supply, and the thing is, I think, becoming, well, more popular on the Hill to talk about the possibility of transcontinental and north-and-south main, through highways. There is no particular program yet.

Q Mr. Edison said he was going to talk to you about means to do away with the lag in shipbuilding. Can you tell us what that situation is?

THE PRESIDENT: We are doing all we can, that is about all we can say.

Q Was it labor difficulties?

THE PRESIDENT: No, not labor difficulties at all. It is on materials and also the general effort on the part of the Navy Yards to keep the employment in the yard going at an even rate all through the year. It is a perfectly natural tendency on the part of a manager or Commandant of a Navy Yard. In other words, if they are building a couple of destroyers, the tendency is, when a ship comes in for overhaul from the fleet, to take the men off the destroyers that are under construction and put them on the repairs and overhaul of the ship that comes in. Then, when the ship leaves, they put them back on the destroyers. That maintains an even flow of employment. Of course the net result is that it slows up the length of time it takes to build a destroyer.

Q Are you doing anything to bring about better relations between the A.F. of L. and the C.I.O.?

THE PRESIDENT: Nothing at the present time.

Q Have you received a report on the location of the new Veterans' Hospital in Illinois?

THE PRESIDENT: Not yet; no. I don't know where that is. Have you got that, Mac?

MR. McINTYRE: It is in the Budget office.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #518,
Executive Offices of the White House,
January 17, 1939, 4.05 P.M.

THE PRESIDENT: Well, how is everybody?

Q Glad to see you, sir.

THE PRESIDENT: I am thinking of taking only one newspaper man on this cruise instead of three.

Q Will we have to toss up for it?

THE PRESIDENT: You are going to be awfully seasick. I don't think you will want to toss up for it. Anyway, you will only get one story out of the three Press Associations. I am not going to write three stories. I can write one, but not three.

Q Are you going on a cruiser?

THE PRESIDENT: If I go, yes.

Q We have all had a lot of long sea service.

MR. DONALDSON: All in.

THE PRESIDENT: Gosh, somebody has a good voice. It is all right.

Q It is Mr. Donaldson.

Q Mr. President, can I get Quoddy out of the way first?

THE PRESIDENT: Yes.

Q The first question is, Do you plan to use the same plan that you had before?

THE PRESIDENT: I do not plan to use any plan. Have you read the letter?

Q Yes, sir.

THE PRESIDENT: If you read the letter that is all there is, and that is very simple, plain English.

Q The second question is: Do you know what agency would act for you in these borings?

THE PRESIDENT: You will have to ask the Congressional Committee. It is up before them.

Q For the benefit of the four local newspapers and to get this small matter out of the way, will you tell us of your conversation today with the Chairman of the House District of Columbia Committee, Mr. Randolph?

THE PRESIDENT: I think he came in and he told me that he had taken the chairmanship and I congratulated him on it and that is all I did. We mentioned the fact that there were problems in the District of Columbia. That is about all.

Q He did not specifically take up these things he said he did?

THE PRESIDENT: No, he is coming back later on.

Q I have a pest, too. (Laughter) What about the St. Lawrence this time?

THE PRESIDENT: You know we are still talking over it and negotiating. We are making progress. I don't think there is any particular news. We are making progress.

Q As long as we are on power in the Northeast, I wonder if you would comment on the attitude of the New England governors with respect to the flood control program?

THE PRESIDENT: You will have to be more specific. In what regard?

Q With regard to the controversy of New England governors with the War Department.

THE PRESIDENT: In what relation? You will have to get specific.

Q Governor Aiken, of Vermont, has said that as a part of State rights, the land should not be taken without their consent.

THE PRESIDENT: Has the War Department attempted to take land without their consent at any time?

Q No, but that has been his objection.

THE PRESIDENT: Has the War Department at any time sought to take land without the consent of the State of Vermont? Now, that is a rather pertinent question. (There was a brief lull.)

Don't you think that is rather pertinent? Don't you think it would be worth bringing that up? I think there is quite a story in that.

Q Mr. President, in view --

THE PRESIDENT: (interposing) Wait a minute, he is not through with Vermont. I have given him a job -- I have given you all a job.

Q Maybe you can answer it right here?

THE PRESIDENT: No, I am putting it up to you. I am not giving you news on that. I am giving you a chance to follow a trail.

Q They need a little more coaching.

THE PRESIDENT: Oh, no, you don't.

Q Mr. President, in following that trail, which do you think would be the important guide posts, the question of state rights, or the private power of New England, or the 1940 Republican nominations? (Laughter)

THE PRESIDENT: You see, the most important thing you have to answer on that question is: Has the United States Government sought to take any land in the State of Vermont and condemn it against the will of the people or the State of Vermont? Now, if you find on investigation that the Government has not sought to do that, do not all of your other questions rather fall by the wayside? (There was a brief lull.) Answer, "Yes," or "No." (Laughter)

Q Do you consider that the Flood Control Act gives the United States the power to take those lands?

THE PRESIDENT: I do not know; frankly, I do not know.

Q Has the United States Government ever gone into the State and taken land?

THE PRESIDENT: I don't think so; not that I know of. And I do not think, in this case, the United States Government has sought to do it, but that is the thing you had better check on.

Q Has there been any suggestion that Vermont would resume its previous disposition to secede and join Canada? (Laughter)

THE PRESIDENT: I think it is a situation that will be worked out. I think it is a tempest in a teapot.

Q In that connection, Congressman Rankin in House debate yesterday stated definitely that the 1938 bill had been amended for the specific purpose of permitting power development in New England. Is that your understanding of the bill?

THE PRESIDENT: Of course that is the objective of it, to permit power development in New England and flood control development and irrigation development and any other you want but emphasize the word "permit."

Q What is the primary purpose?

THE PRESIDENT: The primary purpose, of course, is flood control. It is 99½ per cent. of the purpose, in fact, it is the whole purpose, 100 per cent. of the present purpose.

Q Mr. President, what was the objection to letting the states have control of power developed --

THE PRESIDENT: None at all if they pay for it; none at all.

Q I thought they were willing to pay for it two years ago, in the state compact --

THE PRESIDENT: (interposing) Oh, no, the state compact provided that they would purchase and retain the title to the land, do you see? In other words, if you want to build a cottage at Hyde Park, close to my house, I won't sell you the land, I will sell you the right to build the cottage and live there as long as you live, rent free, as long as you pay for the cottage, and when you die I will own the cottage and the land. That is what the state wanted to do.

Q If the states offered a plan under which they would pay all costs, would that be objected to by the Administration?

THE PRESIDENT: The whole thing?

Q Yes.

THE PRESIDENT: No, of course not.

Q There was a report in the morning papers from Tokyo, from a Japanese editor, in which he warned the United States that if we should arm Guam, that Japan would have to smash the American fleet. Is there anything you want to say --

THE PRESIDENT: Also there has been some editorial comment about Guam in this country, hasn't there? And one or two columnists have written stories about it. All right, I will put it back in the form of a question: What is it all about, Fred (Storm)? Has any appropriation been asked of this Congress for the rearming of Guam, I mean the fortification of Guam? Answer, "Yes," or "No." It is the same thing. In other words, let us stick to brass tacks and facts. Do some snooping on that. It is a good story.

Q On this flood --

THE PRESIDENT: (interposing) Wait a minute, he is not finished with Guam yet. He is writing down the answer. In other words, wouldn't it be a good thing for all newspapers, American and Japanese, to find out first, before they rush into all kinds of opinions, whether we are going to ask Congress for any appropriations for the fortification of Guam this year? I should think that would be rather a sensible thing to do.

Q That was recommended by a responsible Naval board. Is it not safe to assume --

THE PRESIDENT: (interposing) As part of an enormous, big thing -- I don't know what -- two billion dollars. It would be better to find out whether there has been a request for any appropriation.

Q Could we find that out here?

THE PRESIDENT: You can find it out. I don't think that will come up until the Navy is called before the committee. The Army is up there now and the Navy follows them right along in the course of the next day or two.

Q Can you give us your views on the fortification of Guam?

THE PRESIDENT: I can only do it after the Navy gets up there and makes their recommendation for the appropriation of this money. The thing will speak for itself when they get up there.

Q On the line of defenses, has any definite step been taken to have standardization of types of new airplanes, say by having most of the pursuit ships about the same?

THE PRESIDENT: I don't know. It is a technical question I cannot answer. In other words, I don't know which companies will build them. (Laughter)

Q Mr. President, yesterday there was a rather lengthy conference at the White House with Ambassador Bullitt, the Secretary of War, the Assistant Secretary, the Assistant Secretary of the Navy and some people from the Procurement Division of the Treasury and also from the Navy Department. Is there anything you can tell us about that? None of them would talk.

THE PRESIDENT: Just one of the continuous conferences. Probably have a good many more every few weeks.

Q Can you tell us anything about Governor Eccles being here?

THE PRESIDENT: On the general economic situation.

Who wanted to know some more about floods?

Q A story came out on the White House on Saturday that you were considering withdrawing funds allocated for New England flood control if the state continued to impose --

THE PRESIDENT: (interposing) I don't think there is any news on that, one way or the other, at the present time because I hope that we will be able to go ahead with Federal funds on the problem of the Connecticut River. I have not given up hope yet. It is a pretty long river.

Q Do you think that a solution might include a contract between the state and the Federal Government?

THE PRESIDENT: What kind of a contract?

Q Not the contract that was rejected by Secretary Woodring but a different one eliminating certain phrases he objected to.

THE PRESIDENT: I don't know because I never read the contract over.

Q Have you any plans to meet the relief situation if the Congress goes through and cuts this relief bill to $725,000,000.?

THE PRESIDENT: The only plan is to cut the sail to fit the cloth.

Q In that connection, can you comment on the Byrnes Committee report?

THE PRESIDENT: I have not had a chance to read it. I got a copy of it and a letter from Jimmy Byrnes the other day and I haven't had a chance to read it.

Q In your message on the state of the Nation you said there were means other than war to let the aggressor nations know our sentiments. My editor would like to know if you are willing to amplify that, and whether it would be loans to China, or lifting the Spanish embargo, economic blockades, cooperation with Latin American --

THE PRESIDENT: (interposing) Pete (Brandt), your editor reminds me of old Senator Hale, of Maine, who, way back around 1880 or something like that, when they were talking about building up a Navy for the United States, -- they had not built any ships since 1865 and the Navy was practically nonexistent -- and he kept insisting, when they authorized the first ships for the new Navy, he wanted to know which ship or ships would be stationed off Portland Harbor in case of war. (Laughter)

Q That was thoughtful. (Laughter)

Q In other words, you have not got to the point where you are willing to tell those plans?

THE PRESIDENT: Nobody could ever answer that question, Pete, categorically any more than I can answer the question of the perfectly honest person who comes in and says, "Where have you got a navy?"

Q In that connection, Mr. President is it possible that the action of

Secretary Hull with respect to aircraft manufactures may be extended to other commodities used in war?

THE PRESIDENT: That I do not know. It depends on each case.

Q There is a report that the President of Mexico has accepted your invitation to come here in March?

THE PRESIDENT: No; I am afraid that is only a report.

Q It is also reported that the President of Brazil is coming up here after the foreign minister comes up here.

THE PRESIDENT: I did not know that. I will be very glad to have a visit from the President of Mexico and the President of Brazil, but the only thing I know is that the Secretary of Foreign Affairs, Senor Aranha, is coming.

Q Are you taking any new steps in connection with the controversy with Commonwealth and Southern over the sale of their properties?

THE PRESIDENT: I have not heard a word for three weeks, not a word.

Q Is it your understanding that this entire $725,000,000. can be used in the next five months or does it depend on the obligations going over into the next fiscal year?

THE PRESIDENT: Oh, no. The simple way of putting it is this: I cannot give you the exact figure out of the $725,000,000. but you will remember when I asked for $875,000,000. to be appropriated for the balance of this fiscal year, the budget showed that out of the $875,000,000. there would actually go out of the Treasury in the form of cash $750,000,000. before the thirtieth of June. That lag of $125,000,000. was caused by various elements. For example, materials obligated, that is, ordered the end of May, let us say, or the beginning of May and delivered on the job the twentieth or twenty-fifth of June, probably would not actually be paid for until the fourth or fifth of July. In the same manner a great many WPA workers, in fact practically all of them, working from the fifteenth of June to the first of July, -- the money would not go out of the Treasury until three or four days into the next fiscal year. Therefore, if the total appropriation is $725,000,000., the actual burden on this fiscal year out of the Treasury Department would be, Oh, substantially what? -- $110,000,000. or $115,000,000. less than the $725,000,000. It would be approximately $610,000,000.

Q Can you tell us anything as to the size of the relief cut to bring the figure down to the $725,000,000.?

THE PRESIDENT: The size of the cut?

Q Yes.

THE PRESIDENT: I think that Colonel Harrington has worked that out. My recollection is that it means a discharge of more than -- somewhere between a million and a million and a quarter of relief workers by the first of June, and judging on the ratio of three and a half people dependent on each relief worker, it takes off relief about, between four and five million people between February and the first of June.

Q Mr. President, could you give us anything on the size of the processing taxes?

THE PRESIDENT: I don't think it is a pending question. I have not heard anything about it. It will be one of those things studied by the committees on the Hill. The final discretion rests with them. The only thing that can be said is what has been said before, that processing taxes do fall in the general category of taxes on the consuming public as a whole. They belong in that category just like the cigarette tax, and the gasoline tax and things of that kind.

Q Do you look upon it as a depressant?

THE PRESIDENT: It undoubtedly is a depressant.

Q And in your Budget Message you recommended against any depressant?

THE PRESIDENT: That is right.

Q On this relief situation, Mayor La Guardia told the Senate Committee, as representative of Mayors of cities, that the cities cannot bear this increased cost of feeding these people that are cut off the relief rolls if the cut goes through on relief. Who is going to feed those people?

THE PRESIDENT: I am asking myself that question. The Mayor is substantially correct. Comparing the situation with 1933, let us say, the financial condition of nearly all cities, the great majority, is very definitely better off. It could not possibly be as bad as it was then and have the cities survive. Some of you will remember in the fall or early winter of 1932-33, the problem of the City of New York which had to borrow enough money on tax certificates and one-month, thirty-day notes, and things like that to meet its own payroll. The City of New York was practically broke, could not get credit from the banks or anybody else. That was true. Detroit was in an equally -- rather, a worse situation. Of course that could not last.

Since then, gradually, the cities have been getting to a position where they were meeting their carrying charges and meeting the due dates on their bills and notes and bonds and today the general credit situation of the cities is good insofar as their existing obligations go. But they are not in a position, because they are all very close to their debit line, beyond which they cannot go because of constitutional or statutory provisions. They are so close to it that they could not properly meet very much more in relief costs. Most of them are taking pretty good care of the unemployables, which is in accordance with what has been the policy for four or five years, but they are not able, even today, to take care of the employables who are on the waiting list of WPA. In other words, where there are three million people on WPA, there are at least another million people who are on the waiting list to get on.

Q Mr. President, if there is a reduction in WPA funds, would that reduction be prorated through the months or made heavier toward the end of the fiscal year?

THE PRESIDENT: That I do not know. That has been testified to, I think by Colonel Harrington, before the Senate committee, I don't know what his schedule is.

Q Returning for a minute to my question, if Congress should make appropriations for the 1940 year, so that that money would be available on the first of July, then would you still have to have this $110,000,000. or $115,000,000. lag?

THE PRESIDENT: Yes. Those funds are not made available until the first of July. We could not obligate any of it before the first of July for materials and things of that kind.

Q On this flood control matter, would you care to give us the benefit of your conclusions as to Governor Aiken's motives in asking for that defense fund?

THE PRESIDENT: I certainly am not going to give you opinions on anybody's motives. (Laughter)

Q Can you tell us anything more about Donald Wakefield Smith?

THE PRESIDENT: I have not done a thing about appointments now since last Tuesday.

Q What about Messages, Mr. President? Any schedule?

THE PRESIDENT: I have only one more Message going in, as I can remember, and that relates to this health report which I am transmitting with a very brief Message. It is health security -- the program of health security.

Q How about railroads?

THE PRESIDENT: I have not any Message on that now. I am not dead sure on railroads that I will send a Message because, after all, we all know what the problem is. I cannot add to the statement very much. I am seeing Senator Wheeler, I think he gets back today, and Congressman Lea.

Q Will your Health Message go up tomorrow?

THE PRESIDENT: I have not written it yet. It may go up Thursday.

Q When did you say you would see Senator Wheeler?

THE PRESIDENT: Within the next two or three days, and Congressman Lea, too.

Q Both of them?

THE PRESIDENT: Yes.

(At this point Mr. Early spoke to the President.)

Oh, excuse me, I forgot entirely that I have a very important

Message going up on Thursday.

Q What is that?

THE PRESIDENT: On the situation -- two things which go right together. The first is the situation that has been created by the Supreme Court decision in regard to employees of companies like the New York Port Authority -- and there are a lot of them all over the country -- and also the owners of bonds of organizations like the Port Authority, under which decision, unless there is legislation passed before the fifteenth of the month, the Treasury has got to tax retroactively for three years all salaries of employees of those quasi Government institutions, and the interest on all their bonds, retroactively. And, of course, with that goes the other part of the same subject on which I sent a Message last April regarding the future taxation of all Government salaries of all kinds, Federal, state and local, and all coupons on future Government bonds, Federal, state and local. In other words, conferring by statute the right to put on a Federal tax and the rights by states to put on state taxes. It is a repetition of what I said last April.

Q Will that constitute your short and simple statute -- two parts?

THE PRESIDENT: Yes.

Q What was that decision?

THE PRESIDENT: The Port of Authority of New York.

Q I take it from what you say that you send the Philippine Islands' report without a Message?

THE PRESIDENT: I think that will go up without a Message -- go up with a letter.

Q This week?

THE PRESIDENT: I don't know; I have not got around to it yet.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #519,
Executive Offices of the White House,
January 20, 1939, 10.43 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: Will somebody ask a question? I haven't any news.

Q Tell us something about the railroad conference of yesterday?

THE PRESIDENT: Oh, making progress; that is about all.

Q What about your Philippine Message?

THE PRESIDENT: I think that is going up on Monday or Tuesday, not in the form of a Message but of a letter.

Q Will you later on send up a special Message?

THE PRESIDENT: No; letters will cover the whole thing.

Q Is the Federal Government going to do anything about those dispossessed share croppers in Southeastern Missouri?

THE PRESIDENT: I have not heard since day before yesterday. The Farm Security had some people out there; I cannot give you the details of what has happened.

Q Have they reported?

THE PRESIDENT: To me? No.

Q Will you comment on this suggestion for a world cotton conference?

THE PRESIDENT: I think it would be a very good thing to have one. The latest report from the wheat conference is that it is going very well.

Q Do you contemplate taking any initiative in that?

THE PRESIDENT: I do not know yet; just talking about it.

Q Does it seem as though there will be world wheat control, crop control?

THE PRESIDENT: Well, they are working towards that.

Q Has any progress been made, to your knowledge, on a flood control compromise?

THE PRESIDENT: I have not heard a word since Tuesday.

Q Mr. President, have you heard anything from McNutt (High Commissioner Paul V. McNutt of the Philippines) as to when he is coming back or if he is coming back?

THE PRESIDENT: I think he is coming back this spring. I do not know; I have not had any definite word.

Q Is that a resignation or a business call?

THE PRESIDENT: I do not know; the subject has not been discussed at all.

Q Can you tell us when or if you are going to send Donald Wakefield Smith's name to the Senate?

THE PRESIDENT: I have not done anything about appointments since last Tuesday.

Q Mr. President, some of the news this morning, I think, stated that the Attorney General had recommended, or taken some action on possible Federal judges. Has that reached you in any way?

THE PRESIDENT: Not yet. We are going to talk over the week end about quite a lot of vacancies, Federal judges and district attorneys and marshals. You see, there are a good many vacancies and, when the new Attorney General went in, he was not familiar with all the details or recommendations and has been studying them. I think he is about ready to take that up.

Q Is Senator Guffey going to talk to you about the Third Circuit today?

THE PRESIDENT: Not that I know of.

Q Can you say whether you do or do not favor the $5,000,000. appropriation for fortifying Guam?

THE PRESIDENT: Is there a $5,000,000. appropriation for fortifying Guam?

Q That is my understanding of it.

THE PRESIDENT: Deepening the harbor?

Q Guess you have got me there. (Laughter)

Q Mr. President, do you see a difference between an authorization and an appropriation?

THE PRESIDENT: Yes, and, by the way, you can all do a very great service to the American people: It is one of those things that, I do not suppose, one citizen out of ten, maybe one out of a hundred understands the legislative process. Actually beginning I do not know when, but early in the last century, the Congress formed the habit -- there is nothing in the Constitution about it -- formed the habit of passing authorizations and for well over a hundred years the Congress has been passing authorizations for future programs.

Now, it is perfectly correct in writing a headline to say that such and such a project, a local project or a veterans' hospital or flood control or Federal buildings or all kinds of things, that it has been authorized by the Congress, but the average layman, the average reader, when he reads that story that the thing has been authorized, he assumes that it is going to start.

The Press can be of real service to the Nation in making it clear to the people that an authorization does not mean that the thing is going to be done.

I suppose, if you were to add up the different authorizations that have been made by the past seventy Congresses, you would find that the amount of money authorized runs into five or six billion dollars of projects that have never been built. Authorization does not mean building. It means that this Congress says, by formal action, "We are going to authorize something and we hope that some future Congress will go along and appropriate the money for us." That is all that it means. And, as I say, there are probably dozens and dozens of Federal projects that were authorized a hundred years ago that have never been built.

Q It would seem to commit the Congress to give the project but it commits the Administration to nothing at all?

THE PRESIDENT: Absolutely nothing; one Congress cannot commit a future Congress.

Q It could commit itself in one session to act in a second session?

THE PRESIDENT: Not necessarily. This session authorizes -- what will I say? -- a new post office for Baltimore; it does not mean that at the next session they are going to appropriate the money for a new post office in Baltimore. It is an expression of what they would like to do at some future time. There is no commitment. You will find dozens and dozens of things where they have done that at the first session and then have failed to go through with it at the second session.

Q You do not think there is any deception or misrepresentation to have one session of Congress say that it is in favor of doing a thing with no idea in back of its mind of doing it?

THE PRESIDENT: I think, probably, when they pass the thing they expect to do it. There is no deception in it. It is the expression of a pious hope. (Laughter) It is -- what will I say? -- it is a New Year's resolution. (Laughter) Sometimes they are lived up to.

Q Mr. President, need there be any confusion in anybody's mind as to where you say you stand on Guam, to be specific?

THE PRESIDENT: I don't think there is any confusion; I do not think there need be.

Q You are for it?

THE PRESIDENT: No, I am not. That is exactly the point; let us get it perfectly clear: This board of the Navy said, "Here is a beautiful idea. The total cost will run to -- I don't know what -- five or six hundred million dollars. This is what we think at the present time should be done over a course of years. All right. We actually want forty or fifty million dollars spent this year towards that program." All right. Now, I am not taking sides or bothering my head about the long-range program. I am considering the appropriations for this year, that is all. I am not committing myself. I am not making up my mind because I do not know what we are going to need next year or the year after or five years from now on that program. I have not the faintest idea. The change in world events between now and next January might make it possible for us to abandon the rest of that program; I do not know.

Q As of today.

THE PRESIDENT: As of today I am in accord with the proposal to start the dredging of the harbor of Guam.

Q What was that word?

THE PRESIDENT: In accord.

Q In 1919 another Naval board recommended the fortification of Guam and that became the basis of the 1922 Naval Conference. Is there any such thought in connection with this as a possible basis for negotiations with Japan?

THE PRESIDENT: No, I hadn't thought of it at all. We simply thought that the harbor of Guam needs deepening.

I will give you an illustration about authorization. In 1916 the Congress passed an authorization bill for a tremendous increase of the Navy, a great many battleships, some battle cruisers -- three battle cruisers, and 100 destroyers and 50 submarines, et cetera. Older people will remember that particular program; there was a great deal of interest in it. Actually, the program was not carried out because at the end of the war we did not want to build any and then we had the 1921 Conference. We completed the three battle cruisers, which were actually under construction, and converted them into airplane carriers.

Q The dredging will cost about a million and a half?

THE PRESIDENT: I think so.

Q You approve that for next year's appropriation bill?

THE PRESIDENT: Yes.

Q In your Message to the Congress a few days ago, you created or spoke of a Federal Real Estate Board -- I think that was the name of it -- to study the effect of local properties, which includes the District of Columbia. It occurred to me that that might possibly be a general program with relation to the government of the District of Columbia, with respect to which we do not now have any other bureaus. Anything you can tell us on that?

THE PRESIDENT: There isn't any program at the present time but, on the problem of the District Government, I have been very much concerned of late, as I told you, about the human needs of the District of Columbia. In other words, primarily, the question of hospitals and health. I am not the least bit satisfied with the present status.

As to the future, it is all more or less involved with the question of the government of the District of Columbia. As a general proposition, that involves taxes in the District of Columbia. If you will dig up the report that was made two years ago, you will see that in comparison with the cities in the United States of similar size -- I think they took the five next biggest cities and the five next smallest cities -- it was shown that taxes, as a whole, in the District of Columbia are lower. They are at the bottom of the list of cities of the same size. The first thing we have got to determine is whether the District of Columbia taxes can be raised to bring in more money to run the District of Columbia government. Then, having determined that, we must determine as to whether the Federal Government might add to its contribution more money than it is giving now. But the fact remains that we have got to get more money, both by taxes and by Federal contributions, to improve the government of the District of Columbia.

Q May I ask you one more question? May I presume that I am correct in saying that your reports from that Federal Board, on which there are two members of your Cabinet, would find as to whether or not the Federal Government owed more or less or whether their share would be more or less?

THE PRESIDENT: No, I do not think so. I think I would put as number one, as to whether the District of Columbia should not pay more taxes.

Q Mr. President, coming back to this Guam thing, there is one point on which I am not quite clear. You said you are in favor of dredging the harbor of Guam. Only a part of the $5,000,000. appropriation is for dredging. Are you in favor of the $5,000,000. appropriation?

THE PRESIDENT: What are the other things? To improve the landing facilities for planes, both in the harbor and on the ground?

Q There is another million for barracks?

THE PRESIDENT: Yes, that is right.

Q You want the whole appropriation?

THE PRESIDENT: Yes, because those barracks, as I remember it, are in very bad shape and inadequate for the present number, small number of marines who are staying on the Island.

Q Should they appropriate it so that the $5,000,000. will be available next year or do you want a million and a half available for dredging?

THE PRESIDENT: I do not know because I have not seen the bill.

Q Have you heard yet from Rublee (Mr. George Rublee) concerning suspension of refugee negotiations with the German Government?

THE PRESIDENT: Nothing new on that. You will have to ask the State Department.

Q Anything new on the relief situation?

THE PRESIDENT: Nothing, except what I read in the papers this morning.

Q Would that plan be acceptable to you for the appropriation (for relief) to carry through until about April at the present rate?

THE PRESIDENT: I cannot say anything on that.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #520,
Executive Offices of the White House,
January 24, 1939, 4.10 P.M.

THE PRESIDENT: Well, boys, how are you?

Q What are those (indicating)?

THE PRESIDENT: Just some of the new stamps.

Well, I think it is a very dull day today.

Q They tell me that the Susan B. Anthony stamp is a winner. A lot of women think it is a great stamp. Did Farley ever tell you that it is a big money-maker?

THE PRESIDENT: Get the story on the sales of it compared with the other three-cent stamps. It is way up on top of the list.

Q What is that?

Q The Susan B. Anthony stamp.

THE PRESIDENT: The same way, the Mother's Day stamp went awfully big. But the Virginia Dare, holding a baby in the arms, did not get anywhere at all. Nobody paid any attention to it. (Laughter) I thought that one would go big but they didn't care about the baby.

Q That was a five-cent stamp?

THE PRESIDENT: That's right. It made a difference.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have anything today except that on Thursday, if you will go to the Attorney General, he will give you a story about the National Parole Conference that will be held here this spring. Let him give the story.

Q Mr. President, will Mr. Amlie take to the I.C.C. any definite ideas on railroad rehabilitation?

THE PRESIDENT: That I really -- you should ask some other source, probably the Almighty.

Q Has the Attorney General submitted any recommendation on the judgeship for Southern California?

THE PRESIDENT: No.

Q Mr. President, there have been various reports published in various parts of the country about the possibility of a resignation from Secretary of Agriculture Wallace. Have you any comments?

THE PRESIDENT: About what?

Q About the possibility of the resignation of Secretary Wallace?

THE PRESIDENT: That is another pipe dream.

Q Could you, sir, give us any light on the Federal Communications Commission situation further than you put in your letter to the Chairman today?

THE PRESIDENT: I do not think so. I think that Senator Wheeler's committee and Congressman Lewis' committee are going to have the Chairman up there to discuss things in the hearing, and probably other people, to see whether something can be worked out for reorganization.

Q What was the cause of your dissatisfaction, the five-man setup or --

THE PRESIDENT: (interposing) Well, there are -- the principal difficulty, as you doubtless know, is that the law in regard to the work of the Federal Communications Commission in effect says, "You gentlemen are a Commission and you will please do what is necessary in regard to wire communications and radio communications," and fails almost completely to announce any policy for the gentlemen on the Commission to follow. That is pretty generally recognized, I think, by the Press and the Congress and the Senate -- the House and Senate.

If any of us were given a job merely to supervise such and such an industry without being told what was expected of us, we would find it rather difficult to carry out the job that was given to us. You are supposed to be told when you are given a job what the policy or the objective is but that does not exist in the law and that is the primary trouble.

The first thing that has got to be done is to state the policy of the Government of the United States and, when that is done from the experience already gained, we probably will be able to make certain administrative changes which will make it easier to carry out the objectives laid down by the Congress.

That is about all one can say at the present time.

Q Any idea of what the policies should be?

THE PRESIDENT: Nothing more than I have said. Of course there are a good many different methods of carrying out a blueprint. You can make half a dozen different blueprints. It seems probable we should have a somewhat different setup from what we have now. But, on the other hand, you can pick from any two or three different blueprints, and that is the thing that the hearings will bring out.

Q Will that change in the setup involve any change in the status of Chairman McNinch?

THE PRESIDENT: No; obviously there will be no change without legislation.

Q Do you have in mind a three-man Commission?

THE PRESIDENT: I have answered that already.

Q We did not quite hear that?

THE PRESIDENT: I have answered that already. In other words, I have told you that there can be several different kinds of blueprints.

Q On the matter of substantive policy, you mean such things as control over networks and approval of states and supervision?

THE PRESIDENT: Yes, all those.

Q Would you like Congress to give them some kind of policy with respect to ownership, multiple ownership?

THE PRESIDENT: Yes.

Q What about newspaper ownership?

THE PRESIDENT: That is one of the things. There is not any policy today and I think everybody would be happier, including newspapers and radio station owners, if they knew the law.

Q What about individual control over the stations by the chains?

THE PRESIDENT: That is one of the questions. There ought to be a policy.

Q Does the policy apply to radio alone or to telegram and telegraph and telephone?

THE PRESIDENT: Same thing for them.

Q Same degree?

THE PRESIDENT: No, because you have a much simpler picture there; you have three things.

Q Can you tell us anything about the background of the Amlie appointment, who is for him or anything of that sort?

THE PRESIDENT: I suppose I might put it this way: I have to pick a non-Democrat. (Laughter)

Q And were Republicans naturally barred?

THE PRESIDENT: Oh, no; what was he?

Q A Progressive.

THE PRESIDENT: All I wanted to know was, "Is he a non-Democrat?" And they said, "Yes," and that was all right.

Q With whom did you have this conversation? (Laughter)

Q What about his qualifications for the post. Did you take cognizance of that?

THE PRESIDENT: Do you suppose I would have sent his name in if I thought he was not qualified?

Q I am asking what the qualifications are, I assure you.

THE PRESIDENT: Have I ever been asked a question like that in all our Press Conferences? Do you want me to give you a list of the qualifications of people whose names I submit to the Senate? Do you want me to give you his life history, a list of the things that he said or that he did for the last twenty years? That is silly.

Q Mr. President, is there any thought of asking the Attorney General for an opinion on this large controversial question of the President's power to lift the Spanish embargo?

THE PRESIDENT: You will have to ask the State Department about that. The lawyers have been going into it, I think, for the last month and I frankly do not know what the status is.

Q In that connection, putting aside the legal aspects of it, do you feel that the embargo on the shipment of arms to Spain is consistent with traditional foreign policy?

THE PRESIDENT: That reminds me of a piece I read this morning that there should be a specific outline of a definite, hard and fast foreign policy to meet every possible contingent case, next week, next month, next year and through all the years. Now, how is that humanly possible? Anybody who knows anything about foreign policy knows that it is not.

Q That implies, sir, that you think the foreign policy should be flexible and perhaps --

THE PRESIDENT: (interposing) No, it does not; that is exactly the point. That is didactic. In other words, because you cannot outline a specific foreign policy to meet every possible act for twenty years to come, it does not mean that your foreign policy is purely flexible and therefore nonexistent. I think the American foreign policy is pretty well established. It started in 1776 and we have been gathering, during the course of all those years, a pretty definite American foreign policy. It is 150 years old -- a little more than that, 164 years old. That is the American foreign policy and you cannot write that down, one, two, three, four, to meet every situation that is going to come up in every part of the world in the next year or next ten years.

No human being can define foreign policy except a columnist. (Laughter)

Q Do you feel the present situation in Spain has changed since the time you employed the embargo so that a review of that situation is desirable now?

THE PRESIDENT: I think you have the history of the present position as far as I have. I think you can review it and make your own interpretation of what, exactly, has been happening over the last two and a half years. I might not agree with your interpretation but I would probably agree with your facts.

Q In your conversation today with Mr. Quigley or Mr. Jones (Jesse Jones, Chairman of the R.F.C.), did you discuss the possibility of R.F.C. financing for those Nebraska power districts?

THE PRESIDENT: I did not with Mr. Quigley. Mr. Jones said, as he was going out, that he had had an application from one company and he did not have much details but he would let me know about it later on. That was one company.

Q Was it one of the power districts in the State?

THE PRESIDENT: I think so.

Q It seems they are looking for money.

Q Mr. President, can you tell us to what extent the Government is going to provide additional facilities for counter-espionage purposes? Can you tell us to what extent the Government has gone into it?

THE PRESIDENT: Only the additional appropriations that have been asked for. That is all we can ever say on that. If we get the money, it will be spent for that purpose but, of course, we cannot tell you how it is going to be spent because that would be the same thing as telling the other fellow that you are after him.

Q Do you favor a City Manager for the District of Columbia?

THE PRESIDENT: I have not taken that up at all. I read it in the papers that I had. (Laughter)

Q In your talks on the local tax situation and other problems, has there been any discussion of what is called "Local Suffrage" and "Local Self-Government"?

THE PRESIDENT: No.

Q There was a move made in the house today for an inquiry into the possibility of impeaching Secretary Perkins. Would you care to comment on that?

THE PRESIDENT: Increasing what? (Laughter)

Q Impeaching. (Laughter)

THE PRESIDENT: I suppose the answer is "No, not yet."

Q Mr. President, have you conferred in the last few days with Secretary Woodring on this New England flood control situation?

THE PRESIDENT: I do not think so. I do not think we have talked about it for about a week. Is there anything new on it?

Q Senator Walsh is back in town -- we hope he is -- (laughter)

THE PRESIDENT: I do not think I have talked to Harry about it for just about a week.

Q Are you going to ask for a deficiency appropriation to continue the monopoly inquiry?

THE PRESIDENT: I think it goes right to the Committee, does it not?

Q Yes.

THE PRESIDENT: Undoubtedly we will have to. They all feel they have not enough money to last them through the year.

Q The S.E.C. feel that they need a considerable sum of money to carry out their part of it.

Q $400,000. is what Chairman Douglas told us today.

THE PRESIDENT: Doesn't that deficiency appropriation go to the whole Committee and then get allocated?

Q Yes sir. The original appropriation was split six ways. That is what Douglas said.

THE PRESIDENT: Yes and that has all been allocated. Have not I already asked for a deficiency appropriation for the whole Committee? You might check on that. I have an idea I had already asked for another lump sum. I do not know how they divide it up between the six different agencies. I think I have asked; if I have not, I am going to.

Q Have you any comment on the possible extension of medical aid activities to rural aid and to the farmers?

THE PRESIDENT: That is true of Farm Security. I do not know a thing about it.

Q They have a group that is parallel to the Group Health Association.

THE PRESIDENT: In how many places do they have that, do you know?

Q In a large number of counties throughout the Dakotas.

Q. Throughout the country.

THE PRESIDENT: I will have to find out about it.

Q Can you tell us how much the Monopoly Committee will need?

THE PRESIDENT: I do not know.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #521,
Executive Offices of the White House,
January 27, 1939, 10.56 A.M.

THE PRESIDENT: Remember, Russell (Young), the old days when you and I used to cover the State Department?

Q (Mr. Young) Yes, sir; nice days, too. I always liked Buchanan. (Laughter)

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q Mr. President, do you think the strategic potentialities of Guam inhibiting the possible invasion of the Philippines ought to be considered in the work being done there?

THE PRESIDENT: I do not know.

Q Mr. President, has this Government taken any steps to assist or facilitate France in buying planes in this country?

THE PRESIDENT: As you put the question, no. The actual fact is a very simple one. The French Government has wanted to buy planes over here for obvious reasons. We talked it over in Cabinet and we have considered it first from the point of view of the fact that most of the airplane factories in this country are, today, idle. Six of the major companies are practically closed up. One of the largest engine companies just the other day laid off 1500 men. For our own program in the future it is very desirable that we facilitate the getting of new orders to start the airplane plants going, especially if those orders can come in very quickly so that they will be substantially completed before our larger program can be authorized and actually got under way. The French Government did want planes and we told them there was no reason why they should not place orders for planes -- in fact, it would be an excellent thing for them to do. That is about the size of it.

Q The same for Great Britain, Mr. President?

THE PRESIDENT: I do not know. I don't think they are actually after any planes at this time; not that I know of.

Q Mr. President, are they being given any financial assistance in the way of credit or anything like that?

THE PRESIDENT: No, nothing at all.

Q Nothing at all, just cash on the barrelhead.

Q Can you clear up this matter as to whether the Secretary of the Treasury had issued orders to permit a representative of the French Air Ministry to fly in this plane at Los Angeles?

THE PRESIDENT: That, again, is putting it just so much off color that it is not quite right. In other words, the Treasury and the War Department have said there was no objection to their ordering planes from private companies. Well, let us be perfectly specific. You want to know what this plane was that crashed. It was a plane which had not been accepted by the United States Government. It was purely a manufacturer's plane. It was being flown at the time at a public municipal airport by the company. We don't know whether, on our new order, we will buy that plane or some other plane because that plane has not yet been placed in competition with the other planes, and we do not know yet what type we will order. Our decision will be based on competition as to type and also competition as to price. That won't happen, as I understand it, for about another six weeks or two months. In other words, it was a perfectly normal purchase and a perfectly normal testing out of the plane.

Q Mr. President, where does the Treasury Department move in this picture? I can understand about the War Department but I cannot about the Treasury.

THE PRESIDENT: For two very simple reasons: The first is that the Treasury Department is, of course, interested in building up the trade of the United States as a general thing. This is a part of American exports. And the second reason is that on the procurement of planes and a great many other things, the Procurement Division of the Treasury works in very close cooperation with the Army procurement system and the Navy procurement system.

Q Mr. President, will you see members of the Maine Congressional delegation in regard to Passamaquoddy?

THE PRESIDENT: Will I what?

Q Will you see members of the Maine Congressional delegation in regard to Passamaquoddy?

THE PRESIDENT: Not that I know of. I don't think there has been a request to come down and talk to me.

Q I understood that there has been.

MR. McINTYRE: Not recently, Mr. President.

THE PRESIDENT: Not recently.

Q Can you comment on the Civil Service conference yesterday?

THE PRESIDENT: There will be a story on that but not until Monday.

Q Has Judge Manton, of New York, submitted his resignation?

THE PRESIDENT: No; I have not heard of it.

Q Has the name of Ben Smith been suggested or considered as Ambassador to Russia?

THE PRESIDENT: I do not know. You will have to ask the State Department. I suppose we have had -- I suppose the State Department has had at least 75 or 100 names submitted.

Q Are you considering the names of possible successors to Mr. McNutt of the Philippines?

THE PRESIDENT: Nothing on that at all. I don't even know when he is coming home.

Q Any appointments -- any nominations today?

THE PRESIDENT: I don't think, Earl (Godwin) there is anything going up today.

Q Have you had any report from the Business Advisory Council here?

THE PRESIDENT: Not yet. I saw two or three of them yesterday who dropped in to see me.

Q What was their attitude toward the Government now?

THE PRESIDENT: Very nice. (Laughter)

Q Are they going to cooperate?

THE PRESIDENT: Yes.

Q May we expect a story any time soon about aircraft mechanics?

THE PRESIDENT: I do not know where that stands. I know they are still working on it.

Q They told us that it was on your desk, sir.

THE PRESIDENT: Not yet. I asked them about it three days ago and they said they are not ready yet.

Q Any comment on the discussion of the Wisconsin Legislature with respect to Mr. Amlie?

THE PRESIDENT: No.

Q Did a faction of the Democratic Party out there ask you for an interview to discuss that?

THE PRESIDENT: No.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #522,
Executive Offices of the White House,
January 31, 1939, 4.05 P.M.

THE PRESIDENT: Hello, hello, how is everybody?

Q How are you?

THE PRESIDENT: I survived. I do not know why, but I did.

Q Steve (Mr. Early) did not look so good.

Q I see Annabelle's boy (referring to Mr. McIntyre) over there. He looks pretty good.

THE PRESIDENT: He is all right. He is proud of it. You cannot kid him. (Laughter)

Q It is not St. Patrick's Day, either. (Referring to green tie and green suit worn by the President.) (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: We had two prisoners who tried to escape just now. I told them I was going to read to you, off the record, one of the several prophesies that were made at the Birthday Party last night. And really, this is off the record, just between us girls. (Reading)

> "I suspect I am nearer to being the Son of a Prophet than -- as I have often been accused of being -- the grandson of that old bachelor misogynist, Jubal Early.
>
> "It matters not what I am -- I must be bold -- because I prophesy:
>
> "That McIntyre need never worry about employment . . . he and Senator Capper have just found out that girls are willing to pay for the messages both of them now give away free." (Laughter)

This is all off the record.

> "That the President, in the near future, will issue an Executive Order prohibiting accordian playing

in and about the White House.

"That some friend is going to tell me before very long that the girls in my outside room are entirely too pretty for office work.

"As for a third term -- the boys in the Press Room say -- F.D.R. can have one for all they care if he will only start his Press Conferences on time; stop advertising Mark Sullivan; quit smoking camels; buy Sister Perkins a new bonnet; cork up Harold Ickes and put a Mickey Finn in Henry Morgenthau's coffee at lunch some Monday; also, quit talking about the Herald Tribune.

"They say they are all for a third term if the President will promise to keep on riding to Hyde Park in the daytime instead of night; if he will take the B. & O. for a change to give them relief from those flat wheels of the Pennsy; if he will desist from picking out those farm-to-market roads when he goes automobiling; and if for Pete's sake he will tell the Pine Valley Mountain promoters to 'go to Hell' when they invite him to visit their settlement on the coldest day of the year."

Now, to business: Oh, I have got a lot of it for you today.

No. 1: At 3.00 o'clock this afternoon I received the resignation of Judge Martin T. Manton. (Reading)

"January 30, 1939.

"The President,
The White House,
Washington, D. C.

Sir:-

I hereby tender my resignation as United States Circuit Judge for the Second Judicial Circuit, to take effect at your pleasure and not later than March 1st next at which time I will have been able to finish the business now in my hands.

Respectfully,

Martin T. Manton"

To which I have replied:

"January 31, 1939.

"My dear Judge Manton:-

I have received your resignation as United States Circuit Judge for the Second Judicial Circuit, and I hereby accept it to take effect on Tuesday, February seventh. This will give you opportunity to dispose of such pending matters as the public interest requires, but this means, of course, that you will no longer sit on cases before the Court.

Very truly yours,

Honorable Martin T. Manton,
United States Circuit Judge,
New York City,
New York."

I have been asked by the Securities and Exchange Commission to make clear a point that has been brought up in and out of the press in regard to the Tennessee Commonwealth and Southern Corporation. Mr. Willkie, as the president, recommended that the TVA refer to the Securities and Exchange Commission the question of valuation of the Tennessee Electric Power Company properties in connection with the proposed sale of those properties to the TVA and certain municipalities. Similar suggestions have been made by other people. Recently, unofficial questions were received seeking to ascertain what the reaction of the SEC is to this and similar proposals.

The SEC states that it has no statutory authority for making such a valuation, hence no part of its appropriation, under which it is operating, was made for such a purpose. Consequently, they do not propose to utilize funds from their budget for such an unauthorized purpose, nor do they propose to seek such authority from the Congress. That is that.

Next, in regard to the civil service order of last June twenty-fourth. As you know, we ran into all kinds of problems, with different agencies of the Government asking for explanations and this, that and the other thing. Steve has got this release for you outside, but I will summarize it for you. (Reading)

> "President Roosevelt announced today that upon the advice and with the approval of a majority of the Civil Service Commission he had modified Executive Order No. 7916 of June 24, 1938, in order to provide additional time in which the Commission might reach agreement with the executive agencies of the Government on the scope of certain positions to be affected by such orders.
>
> "It is estimated that the new Order will affect less than 10 per cent of the positions to be brought under Civil Service on February 1, 1939, by Executive Order No. 7916. The remaining 90 per cent or more will be brought in the Civil Service on that date under the terms of the original Order. Final determination as to precisely which administrative and technical positions will be temporarily removed from the operation of Executive Order No. 7916 is to be made by the Civil Service Commission in accordance with the new Order. It is contemplated that those comparatively few positions as to which Executive Order No. 7916 is postponed for the time being will be brought into Civil Service as soon as the committee works out adequate methods for the selection and promotion of the personnel for such positions.
>
> "At the same time, he announced, through the new Executive Order, the appointment of a committee of seven outstanding advocates of Civil Service reform and the improvement of Government personnel, to make a thorough study, in conjunction with the Civil Service Commission, of the best way of applying Civil Service principles to the professional, scientific and certain administrative and other technical positions in Government service.
>
> "The members of the Committee are:
>
> "Mr. Justice Stanley Reed of the Supreme Court, Chairman;
> Mr. Justice Felix Frankfurter of the Supreme Court;
> Attorney General Frank Murphy;

William H. McReynolds, Administrative Assistant to the Secretary of the Treasury;
Mr. Leonard White;"

He used to be the Republican member of the Civil Service Commission.

"General Robert E. Wood;"

He is chairman of the board of Sears Roebuck.

"Mr. Gano Dunn."

Former president of Cooper Union and now president of the J. G. White Engineering Corporation.

(The President omitted the following, which appeared in the release:

All of the members of the committee have long advocated the improvement of the Civil Service or have had wide experience with the selection of personnel for professional, scientific, or commercial positions. Mr. Justice Reed, as General Counsel of the Federal Farm Board and the Reconstruction Finance Corporation, and later as Solicitor General of the United States, has had experience both under Republican and Democratic Administrations in recruiting large numbers of lawyers and other persons for Government service in times of grave national emergency. Mr. Justice Frankfurter has long been a student of Civil Service both in this and other countries and has been a strong advocate of the improvement and extension of the Civil Service. Attorney General Murphy, as Governor of Michigan, in reorganizing the State Government, extended the Civil Service further than in any other State. Mr. McReynolds, formerly Director of the Staff of the Personnel Classification Board of the Civil Service Commission, and now as Administrative Assistant to the head of the largest Department of the Government, supervises and directs the selection and promotion of the largest single unit of personnel and has had long years of experience with the practical operation of the Civil Service. Mr. Leonard White, formerly a Republican member of the Civil Service Commission, and now a Professor of Political Science at the University of Chicago, has long been an innovator of the improvement and extension of the Civil Service. General Robert E. Wood, formerly

> Acting Quartermaster General of the United States Army, and now Chairman of the Board of Sears, Roebuck and Company, is as well equipped as any one in the country in the selection of personnel for commercial and business positions. Mr. Gano Dunn, formerly President of the Cooper Union, and now President of J. G. White Engineering Company, has had long and varied experience in the selection of professional and scientific services.)
>
> "In taking this action, the President called attention to Section 2 of the Order of June 24 which directed the heads of all departments and independent establishments, including corporations owned or controlled by the Government, to 'certify to the Civil Service Commission for transmission by it with its recommendations to the President the positions in their respective departments or agencies which in their opinion should be excepted' from the provisions of the Order as policy determining or for other reasons. The President said that the recommendations and certification called for have been received, but that the burden of preparing for the covering-in of other positions had not given the Civil Service Commission and the executive agencies concerned sufficient time to study and reach agreement on their respective recommendations.
>
> "The committee selected by the President will study the many diverse problems presented in the recruitment and promotion of professional, administrative and other technical personnel for the various Government departments and agencies. The President believes that such a study will result in an informed and wise extension of the merit system and the application of higher standards in the selection and promotion of such Government personnel."

Q Isn't it unusual to have Supreme Court Justices on a commission like that?

THE PRESIDENT: I do not know. I do know that away back, at the time when I was here in the early days of the Wilson Administration, several Justices of the Supreme Court did serve in positions of this type. Whether they were commissions or not, I do not know.

Q It would indicate that you are having a great deal of trouble with lawyers?

THE PRESIDENT: Yes, and a good deal with other positions, too. It is not bright, young men. That is a very small percentage (laughter) as you use the term.

Q But you are having considerable difficulty with young lawyers who have made good records in colleges and would like to come down here?

THE PRESIDENT: No.

Q I thought that was one of the problems, that they did not want to take civil service examinations?

THE PRESIDENT: I should say not. I should say that was one of the minor troubles involved.

Q You had two Justices, I thought that was the reason.

THE PRESIDENT: No.

Q Will it take into consideration any revision of methods of examination and classification?

THE PRESIDENT: Yes, it probably will for this less than ten per cent.

Q Numerically could you tell us how many are covered in under your Order?

THE PRESIDENT: About 45,000 will come in, starting tomorrow. About 5,000 are temporarily excluded pending a report of this Commission. And there are another 30,000 that fall under the WPA. However, I am not changing the Order of July first in regard to the WPA. In other words, beginning tomorrow they become eligible for civil service examinations. What the Congress decides of course we do not yet know.

Q You feel they should be under Civil Service?

THE PRESIDENT: Certainly. Why not?

Q Mr. President, did you clear up what misunderstandings may exist with respect to the sale of American planes to France and its diplomatic significance? So far, everything has gone from comments on Capitol Hill, that this is a military alliance, to the other extreme that it is a question of letters supposed to have been written by you to heads of the Government, et cetera.

THE PRESIDENT: The only thing I can tell you is to repeat what I said at the last Press Conference, I think it was. It was perfectly simple, and that is that I think we are in this country very desirous of trying to put the airplane industry in this country on a mass production basis as a measure of national defense. Also that we expect a fairly large program of our own, for our own Army and Navy planes, this spring. In the meantime, for the last two years we have been encouraging foreign governments to buy planes over here; first, to put people to work in these idle factories, and, secondly, to go through what might be called the experimental period of mass production that we do not know much about. And these orders from France and some from Great Britain are serving and will serve this spring to accelerate production so that when our orders come in right behind, we will get on a mass production basis and learn something about mass production of planes. That is absolutely all there is to it.

Q If similar orders had come with the same financial security from Italy or Germany, that would be answered in the same way?

THE PRESIDENT: That is an "if" question, because they have not.

Q That is what I meant, it is purely a question of financial ability to pay on the barrelhead?

THE PRESIDENT: That is an "if" question because the orders have not been sought.

Q If your desire is to get mass production, couldn't you get mass production of planes already in production easier than you could of planes just being developed?

THE PRESIDENT: No, because the planes in production at the present time are out of date.

Q How about those they bought in Buffalo, the hundred they bought from Curtiss Hawk that made the 555 miles an hour the other day?

THE PRESIDENT: Is that an American Navy order?

Q No, it is not; it is a French Government order.

THE PRESIDENT: Well, does the Army want to buy those planes?

Q It is a development from the plane that the Army was buying.

THE PRESIDENT: Do they want that particular type of plane?

Q I don't know.

THE PRESIDENT: Neither do I.

Q This is supposed to be a better plane than Germany has.

THE PRESIDENT: Should not you ask the Army whether they want to buy that type of plane?

Q The question now is whether we want to give to France a plane we have just developed.

THE PRESIDENT: In other words, you are saying, in effect, that this plane that is being built in Buffalo is something the Army ought to buy?

Q No.

THE PRESIDENT: That is something you ought to ask the Army.

Q (Mr. Essary) Some very good planes are for sale in Baltimore, too, Mr. President. (Laughter)

THE PRESIDENT: Fred (Essary), go to the top of the class. (Laughter)

Q Mr. President, was the airplane question taken up in your meeting with the committee today?

THE PRESIDENT: Among many others, yes.

Q Why did you swear them to secrecy?

THE PRESIDENT: What?

Q They said you swore them to secrecy.

THE PRESIDENT: Did they say that?

Q Good thing.

Q There are two or three little items on the civil service matter we would like to clear up before you get into international defense. These 45,000 coming in tomorrow, are those under previous A and B exemptions or are they part of A and part of B?

THE PRESIDENT: I do not know.

Q Getting back to Germany and Italy again, is it not a fact that they would come within the conditions of the Secretary of War's orders with respect to bombing civilians?

THE PRESIDENT: That is an "if" question.

Q They did indicate that their fishing expedition had come to an end.

THE PRESIDENT: I would not call it a fishing expedition.

Q They have been shooting in the dark, trying to find out the policy.

THE PRESIDENT: We sat around and had a perfectly grand talk about a great many things and everybody felt very satisfied.

Q Some of them want to make it public, Mr. President.

THE PRESIDENT: That is interesting.

Q Will you oppose that, the making public of the whole story this morning?

THE PRESIDENT: It has not been put up to me.

Q One of the things they did not object to, some of the Senators, was the fact that we did not disclose secret plans to foreign governments. Was that involved in the sale of any of the planes? Were the secret devices eliminated?

THE PRESIDENT: **Pete,** (Brandt) I do not think that ever was a real issue. I think some of them, several days ago, may have wondered whether any secrets had been disclosed. They received assurances that no secrets had been disclosed. But then, there was no news in that because that was always the case. That is not news.

Q Did you discuss with them, can you tell us, the procurement mechanics that have been worked out by the War Department?

THE PRESIDENT: Only the way I have been talking about them to you -- mass production.

Q Some of the people say that ideas are being discussed by the War Department which they consider a threat to private operation and which may result in the confiscation of their developments.

THE PRESIDENT: No, I do not think so.

Q (Mr. Storm) I happened to be in Mac's office while they were meeting and I heard some applause coming from your office out there. Can you tell us what that was about?

THE PRESIDENT: No. I think we all applauded each other.

Q Have you and the Attorney General reached the point where you can tell us about appointments or the proximity of appointments?

THE PRESIDENT: No. He is coming in to lunch tomorrow and we are going to talk more about appointments. We haven't got to it yet.

Q Chamberlain, in a speech today, proposed that the European countries get together in a disarmament or arms limitation conference. Have you been approached on that recently?

THE PRESIDENT: I have not heard anything about it.

Q A group of southern and western representatives is seeking to take action to tie the removal of freight rate differentials into general railroad legislation. You have commented on that before and I wondered if you had anything you might tell us now.

THE PRESIDENT: No, nothing new. I am very much in favor of removing regional or sectional differentials that exist today in the rate structure of the country. I cannot go into details because I do not know enough about the details. I am merely talking of it as a general principle.

Q Would you support such legislation?

THE PRESIDENT: It would depend on whether the legislation carried out the objective or not.

Q Did you happen to listen to Chancellor Hitler's speech yesterday?

THE PRESIDENT: No, I could not.

Q On this Manton thing, could there be a law prohibiting a judge from having outside activities so that he would "take the veil," so to speak, when he becomes a judge?

THE PRESIDENT: I do not know, Pete (Brandt). It raises an interesting question as to whether anybody in Government service, if he happens to have or own any property -- it is awfully hard to draft a law that will allow him to retain property in a perfectly proper way and at the same time prevent him from continuing the ownership of that property and using that ownership improperly in connection with his office. It is a terribly difficult thing to draft a law to cover it.

Q You have got the Secretary of the Treasury having to divest himself and the Board of Governors of the Federal Reserve Board having to divest themselves of bank stocks and then there is the SEC --

THE PRESIDENT: (interposing) Yes, that is perfectly obvious. The Secretary of the Treasury and the Federal Reserve Board are acting directly on bank stock capitalization and things of that kind. But they are not prohibited from selling real estate or securities of other types that they own. How can one do it? How can one put it down in language that would meet your objection and mine and yet make it possible for a public servant to keep what property he has?

Q I would have them make a list of it so that it would be open to public inspection and make them forswear engaging in outside activities.

THE PRESIDENT: That would be a good thing. It should apply to all quasi public officials, like newspaper owners, for example. (Laughter)

Q Did you have a representative from the Department of Justice on this whole situation?

THE PRESIDENT: Yes, that was started a long time ago.

Q Has the matter of enactment of such a law been studied?

THE PRESIDENT: It has been studied lots of times in the past.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #523,
Executive Offices of the White House,
February 3, 1939, 10.50 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: The most important news is that this is Fred Storm's birthday. I turn him over to you; you know what to do.

Q Hurrah! (Laughter)

Q Mr. President, did you see the story in this morning's paper that the Franco Government is suing the United States in regard to the purchase of $11,000,000 of silver?

THE PRESIDENT: Yes, I screamed with laughter when I saw it because all of that story came out in 1938. It was given front page principal headlines; it is all out and has been out for a long time. No news in it.

Q The morning papers have a lot to say about your trip down to Guantanamo, linking it up with your defense program.

THE PRESIDENT: I did not even read that. As far as I know I am not going to Guantanamo.

Q Are you quite sure you are going, sir?

THE PRESIDENT: I am not sure I am going at all in the first place, and in the second place, if I do go I do not think Guantanamo is on the trip. I think I will be away to the eastward of that, if I do go.

Q The Naval maneuvers?

THE PRESIDENT: Yes.

Q The other day, when I was swinging into my pep talk for the Buffalo Chamber of Commerce, Fred Essary stepped in front of me and, if I can arrange a division of time, I would like to go back over that a bit.

THE PRESIDENT: Yes.

Q The A.P. carried a story yesterday that, as part of the national defense program, a survey was being made of the possibility of selling planes in South America.

THE PRESIDENT: I do not know.

Q The thing that interested me was that right now some airplane producers are being prosecuted in New York for selling airplanes which the Government contends were for military use whereas they contend they were for civilian use.

THE PRESIDENT: What is the connection?

Q I wondered whether or not those two things squared up.

THE PRESIDENT: I do not see where they have any relationship to it at all. In other words, it is a perfectly simple thing. We had a definite law and definite proclamation under it relating to the Bolivian-Paraguayan war and the Government is claiming in this suit that these planes were shipped in violation of that proclamation. It happened three years ago. What can possibly be the tie-in between that and the sale of planes to South America today?

Q I do not know that it is. It is a question of military planes again being sold by our people.

THE PRESIDENT: I have not heard of any plane sales or prospective plane sales down there, except those proceeding along the line of trade.

Q When will you sign the Relief Bill?

THE PRESIDENT: Has it come to me yet, Mac?

MR. McINTYRE: No, sir.

Q Have you been requested by Democratic members of the Senate Interstate Commerce Committee to withdraw the nomination of Amlie?

THE PRESIDENT: No.

Q Mr. President, is it likely that changed world conditions may require the readjustment of the silver purchase program?

THE PRESIDENT: I don't know; I have no idea.

Q I had in mind Mexico.

THE PRESIDENT: I have no idea at all.

Q Is there nothing you can tell us about the development of that program?

THE PRESIDENT: I think you had better ask the Secretary of the Treasury about it because it is rather a technical thing. I don't know of any particular changes lately.

Q I see Senator Pittman on the side and I thought --

THE PRESIDENT: (interposing) No, I was going to talk to the Senator about some other matters and I suggested that while he was down here he could come in here and tell the Senate what has really happened in this conference. (Laughter)

Q Are we sworn to secrecy? (Laughter)

THE PRESIDENT: Sometimes we go off the record and we talk about birthday parties, but that is about all. We discovered, when was it, about three years ago that this off-the-record stuff on important subjects was not liked by the Press.

Q What will be the status of these 33,000 W.P.A. administrative personnel so far as Civil Service is concerned, since the Congress has barred them? You said at your last conference --

THE PRESIDENT: (interposing) If the Act is signed, the status will be that they have been covered into the Civil Service under the February first order insofar as being eligible. On February first they became eligible to take the examinations. Now, if the Act is signed, it precludes their taking the examination. In other words, they are half way in but they cannot go any further. I suppose that is the easiest way of putting it.

Q They are eligible to take the examinations but the Act does not provide money?

THE PRESIDENT: That is it. They can take the examinations but won't take the jobs because they cannot get paid. They are half way in but, from the practical point of view, they cannot go all the way in.

Q Have you any plans for meeting that situation?

THE PRESIDENT: No.

Q Will another Executive Order be issued to exempt them?

THE PRESIDENT: No, I do not think it is necessary because the Act says to every one of them, "You cannot get any money."

Q You say, "if" the Act is signed. Is that a capital letter "IF"?

THE PRESIDENT: No, it is just the fact that the Act has not come to me. It is to avoid somebody saying that I answered that last question in such a way as to intimate that I would sign the Act. You see, I am getting cagey. (Laughter)

Q Mr. President, you have adopted that form of response ever since I have covered you. Is there anything significant about this particular occasion?

THE PRESIDENT: No.

Q Mr. President, is it true, as reported, that you see a theoretical possibility of an attack on the Panama Canal by Europe?

THE PRESIDENT: Oh, that is doubly "iffy."

Q There are reports to that effect?

THE PRESIDENT: Yes.

Q Mr. President, some people seem to have some difficulty understanding foreign policy. Have you any intention of getting down to the elementary A, B and C's in a statement, or speech or fireside talk in the near future?

THE PRESIDENT: Well, let us do a little analyzing for the benefit of some people. In the first place, the foreign policy of the United States has been thoroughly covered in my Messages to Congress, completely and adequately covered in every way. No. 2, there is nothing new about it. No. 3, the people in this country are confronted at the present time by a simple fact and that is that a great many people, some members of the House, some members of the Senate and quite a number of newspaper owners, are deliberately putting before the American people a deliberate misrepresentation of facts -- deliberate.

I had always supposed, and I still believe, that the foreign policy of the United States should not be involved in either legislative or party or newspaper politics. In other words, I do not think that the 1940 campaign should enter into the problem either on foreign policy or American defense in the year 1939. All you have to do is to read stories and headlines to realize that pure guesses dressed up have become, in the next step, statements of fact. I have in front of me, Oh, about eight or ten different newspapers. There isn't one story or one headline in all of those papers that does not give, to put it politely, an erroneous impression -- not one. It is a rather interesting fact. These things have been manufactured by deliberate misrepresentation of facts, existing facts. The foreign policy has not changed and it is not going to change. If you want a comparatively simple statement of the policy, I will give it to you and Kannee can copy it out afterwards:

Number 1: We are against any entangling alliances, obviously.

Number 2: We are in favor of the maintenance of world trade for everybody -- all nations -- including ourselves.

Number 3: We are in complete sympathy with any and every effort made to reduce or limit armaments.

Number 4: As a Nation -- as American people -- we are sympathetic with the peaceful maintenance of political, economic and social independence of all nations in the world.

Now, that is very, very simple. There is absolutely nothing new in it. The American people are beginning to realize that the things they have read and heard, both from agitators of the legislative variety and the agitators of the newspaper owner variety, have been pure bunk -- b-u-n-k, bunk; that these people are appealing to the ignorance, the prejudice and the fears of Americans and are acting in an un-American way.

You will also notice that quite a number of them are receiving the loud acclaim, the applause of those governments in the world which do not believe in the continued independence of all nations.

I think that covers it pretty well. (Laughter)

Q Mr. President, did the Rome Embassy report to you that the Italian

Government is going to change the name of Via Woodrow Wilson to Hamilton Fish?

THE PRESIDENT: All I can say is that that is rather joyous.

Q Is it possible then, in connection with this, to clarify the differences in interpretations that have been coming from the conferences you have had? In other words, can you now give us exactly what happened there?

THE PRESIDENT: I don't believe I could without asking them on the Hill what they think about it.

Now, on the question of secrecy, that also is 100% bunk.

Q In what way?

THE PRESIDENT: In this way: I will ask you a question: Do you think that -- suppose I had information which came in through the intelligence service, that such and such things were going on in such and such a country. There are no names, no way of proving the information before a court, and yet it is information which, because it has been checked from two or three different sources, looks to be, as far as we can tell now, reasonably true.

Now, suppose I held a press conference every day and gave out information of that kind to the public. In the first place, we are not definitely sure of it; it would be almost like certain stories that you read -- many of them are true, many of them turn out later on not to be true. In the second place, giving out information of that kind would completely terminate the getting of future information, because the sources of the information would be immediately blocked.

Now, in that conference the other day, I told them of some things, information of that type, which we at the present time believe to be true but it is not the kind of thing to write a newspaper story about because it may not be true. It is merely our best slant as of today. It may be changed two weeks or a month from now by other information.

That is the only element of secrecy that has entered into either of the conferences, either with the Senate Committee or the House Committee. I told them both one or two pieces of -- you would not even call it information -- matters that have been reported to us, which we have reason to believe are true. Now, that is the only element of secrecy in either of those conferences. The rest of the conferences related solely to what I have just given you.

Q One of the principal items of the conference is that you are supposed to have told some of the conferees that the Rhine was our frontier in the battle of democracies versus fascism.

THE PRESIDENT: What shall I say? Shall I be polite or call it by the right name?

Q Call it by the right name.

THE PRESIDENT: Deliberate lie.

Q That goes, too, for the French?

THE PRESIDENT: Yes.

Q May we quote that?

THE PRESIDENT: Yes.

Q Was there any discussion of the manner in which the purchase of planes by France and Great Britain would be financed?

THE PRESIDENT: Well, they asked in both conferences -- the question has been asked about ten times before, "Are they going to be paid for in cash?" I said, "Yes." That is all; there is no further discussion.

Q Will the R. F. C. help them?

THE PRESIDENT: No.

Q You indicated a moment ago that in these fourteen or fifteen newspapers you have on your desk there was an impression given, erroneously, of both facts and in the headlines, as I understood it, in practically every paper. Did your reading of those papers go far enough to convince you of what may be the motive of fifteen or more of our newspapers on a given day writing erroneous information --

THE PRESIDENT: (interposing) Oh, Fred (Essary), that is a very long subject. You know perfectly well that a story that starts as a story -- 'it is learned from reliable sources,' that kind of a thing, or 'it is believed, ' 'sources close to the President suggested,' etc., and so on. Now, when that story goes out, you are all covered by making that qualification, but the fellow who writes it up the next day, either in the editorials or in the subsequent news stories, leaves out your qualifying phrases. We have all had that happen. There isn't a person here who hasn't had that happen. That is the mechanics of journalism, and that is what happened in this case. I read, for instance, a compendium or concensus of editorial opinion I have here, and you will find that every one of those editorials put down as facts what you boys had said, 'it was learned from so and so but it was contradicted by somebody else,' or 'it is understood that at the conference the President did this, that or the other thing.' Now, in these editorials there isn't one that does not affect those qualified statements as facts, and that is one of the troubles with our newspapers today. The public understands pretty well when it is said that such and such a thing is learned on good authority, or it has been suggested by White House sources, or things like that. They understand that that is not news, it is only a rumor of news. It does not make anybody sore; it is part of our system of a free press and it is primarily all right and the public is getting more and more discriminatory, which is fine.

Q The thing that impresses me most about your observation is that the things that we are writing or our editors are writing and our publishers are publishing are being applauded abroad. There seems to be something sinister about the way what we are writing is getting foreign applause.

THE PRESIDENT: That follows out the statement that the American frontier is the Rhine. Some boob got that off; I don't think it was a member of the Press. That was applauded in France. There were editorials about it; newspaper stories about this great thing that the President had said, and it was attacked in Germany, and it was attacked in Italy. It was applauded in London. In other words, the attack and the applause are again based on a misstatement of fact. Now, what can I do about it?

Q Have somebody in the Senate give the correct version.

THE PRESIDENT: No, you have got the correct version. I just gave it to you.

Q Do you doubt that somebody said that?

THE PRESIDENT: I doubt it very much. I would like to have that traced down and find out who it was, and if you can get him, Earl (Godwin), and bring him down here and let me ask him "Did you say that?"

Q Do you doubt somebody said that to a newspaper man?

THE PRESIDENT: Yes, I believe somebody did say it, but I would like to have you bring that fellow down here. That would be very good.

Q (Mr. Godwin) Yes, I would be glad to do that. (Laughter)

Q Mr. President, do you think that that catch phrase sums up the situation?

THE PRESIDENT: What phrase?

Q 'The American frontier is on the Rhine.'

THE PRESIDENT: Of course not.

Q There is another manner in which that can get into print and that is by somebody in the conference making that remark to you. Could that happen or did it happen?

THE PRESIDENT: No, the remark was not even made to me.

MR. STORM: Thank you, Mr. President.

Q Are you going to withdraw the name of the Virginia judge?

THE PRESIDENT: No. On the Virginia judge, the Senate, of course, has not taken action but if the Senate should refuse confirmation it is my plan to write a letter to Judge Roberts and that letter, I think, will be quite interesting.

Q Would that same course be followed in case Mr. Amlie's appointment or nomination were not confirmed.

THE PRESIDENT: I do not know at all; I haven't thought of it.

Q You are not withdrawing the Amlie nomination?

THE PRESIDENT: No.

CONFIDENTIAL
Press Conference #524,
Executive Offices of the White House,
February 7, 1939, 4.15 P.M.

Q (Mr. Young) How long is it, Mr. President? (Referring to mimeographed release of February seventh, which the President had before him.)

THE PRESIDENT: Four pages and a little over.

Q Pretty nearly 2,000 words?

MR. DONALDSON: All in.

THE PRESIDENT: The Dean and I have agreed that on this letter of mine to Judge Roberts, it takes a long time to read the whole thing, so I will try to shorten it a little bit in order not to read every part of it. (Reading)

> "First of all, I tender you my thanks for the honorable, efficient, and in every way praiseworthy service that you have rendered to the people of the United States in general and to the people of the Western District of Virginia in particular.
>
> "Second, I wish it known that not one single person who has opposed your confirmation has lifted his voice in any shape, manner or form against your personal integrity and ability."

Then I proceed to summarize a series of letters that started way back last March between the Senator and myself --

Q (interposing) Which Senator, please?

THE PRESIDENT: Senator Glass. (Reading)

> "On March 17, 1938 I received a letter from Senator Glass enclosing a clipping from a local Virginia paper. This newspaper article, quoting an editorial in another local Virginia paper, made the assumption that it would henceforth be necessary to receive the backing of Governor Price of Virginia before any Virginian could hope for a Federal appointment.

> "Senator Glass in his letter asked if Federal appointments, for which Senate approval was necessary, would be subjected to the effective veto of the Governor of Virginia."

I replied to that, pointing out the Constitutional powers of Senators and Presidents.

He wrote to me again, agreeing in regard to the Constitutional rights but saying he still inferred that I approved the offensive publication. (Reading)

> "I replied to this letter from the Senator on March 21st in a personal and friendly vein. I stated that I was glad that we seemed to agree in our construction of the Constitution. I told him that I was not in the habit of confirming or denying any newspaper article or editorial. Obviously if I were to begin that sort of thing, I would have no spare time to attend to my executive duties.
>
> "I told the Senator to go ahead as before and make recommendations; that I would give such recommendations every consideration; but that I would, of course, reserve the right to get opinions from any other person I might select. I ended by asking the Senator to forget the newspaper article and wished him a good vacation and expressed the hope that he would come to see me on his return."

After that the Attorney General and I had several conferences in regard to possible nominees from that District (reading)

> "with the result that we concluded that you were best fitted to fill the Judgeship.
>
> "As a result, I wrote on July 6th to both of the Virginia Senators stating that I had concluded to appoint you, that a number of gentlemen had been suggested for the place, but that I believed you to be the best fitted.
>
> "The following day, July 7th, I received a telegram from Senator Glass stating that he and his colleague would feel obliged to object to your appointment as being personally objectionable to them, and that a letter would follow.

> A few days later I received a letter from the Senator stating that he could not conceive any fair reason why one of his candidates had not been appointed.
>
> "It is worth noting that neither Senator on July 7th or subsequently raised any question as to your integrity or ability, and the only objection was that you were personally objectionable.
>
> "In regard to the original newspaper article suggesting that Governor Price had been given the veto over Federal appointments, this and similar stories are, of course, not worth answering or bothering about, for the very simple reason that no person -- no Governor, no Senator, no member of the Administration has at any time had, or ever will have, any right of veto over Presidential nominations. Every person with common sense knows this."

Then followed the appointment and the hearing before the Senate Committee. Then I point out -- this is to the Judge, (reading)

> "You will recognize from what I have written you that as far back as last March, in reply to Senator Glass' letters, I told him categorically that I never answered any questions relating to the credibility or otherwise of newspaper articles or editorials, and I asked him to forget the newspaper article altogether. Therefore, the statement of Senator Glass to the Committee does not square with the facts.
>
> "Continuing, the Senior Senator from Virginia referred to other newspaper articles which spoke of 'rebukes' to the Senators. It is almost needless for me to suggest that neither you nor I pay any attention to such excuses. Finally, Senator Glass stated 'as a matter of fact, the President of the United States did give to the Governor of Virginia the veto power over nominations made by the two Virginia United States Senators.' I am sorry, in view of my long personal friendship for the Senior Senator, that he has made any such statement, and I can only excuse it on the ground of anger or forgetfulness.

"At the end of his speech Senator Glass says 'Mr. Cummings never had the slightest idea of giving consideration to the recommendations of the two Virginia Senators because the Governor of Virginia had been promised the right of veto on nominations that they made.' Neither of these statements is true.

"Senator Glass was followed by Senator Byrd who stated that your nomination was personally offensive to both Senators, in fact, 'personally obnoxious.'

* * * * * * * * * *

"During this whole period Presidents have recognized that the constitutional procedure is for a President to receive advice, i.e., recommendations, from Senators.

"Presidents have also properly received advice, i.e., recommendations, from such other sources as they saw fit.

"Thereupon Presidents have decided on nominations in accordance with their best judgment -- and in most cases basing their judgment on the character and ability of the nominee. In many cases, of course, the recommendations of Senators have been followed, but in many other cases they have not been followed by Presidents in making the nominations.

"Thereupon, under the Constitution, the Senate as a whole -- not the Senators from one State -- has the duty of either confirming or rejecting the nomination.

"It is, of course, clear that it was the intention of the Constitution of the United States to vest in the Senate as a whole the duty of rejecting or confirming solely on the ground of the fitness of the nominee.

"Had it been otherwise, had the Constitution intended to give the right of veto to a Senator or two Senators from the State of the nominee, it would have said so. Or to put it another way, it would have vested the nominating power in the Senators from the State in which the vacancy existed.

"On somewhat rare occasions the Senate, relying on an unwritten rule of Senatorial courtesy,

> which exists in no place in the Constitution, has rejected nominees on the ground of their being personally obnoxious to their Senators, thus vesting in individual Senators what amounts in effect to the power of nomination.
>
> "In the particular case of which you are the unfortunate and innocent victim, the Senators from Virginia have in effect said to the President -- 'We have nominated to you two candidates acceptable to us; you are hereby directed to nominate one of our two candidates, and if you do not we will reject the nomination of anybody else selected by you, however fit he may be.'
>
> "Perhaps, my dear Judge Roberts, the rejection of your nomination will have a good effect on the citizenship and the thinking of the whole nation in that it will tend to create a greater interest in the Constitution of our country, a greater interest in its preservation in accordance with the intention of the gentlemen who wrote it.
>
> "I am sorry, indeed, that you have been the victim. Against you not one syllable has been uttered in derogation of your character, or ability in the legal profession or your record on the Bench."

Steve (Mr. Early) will give you the whole thing when you go out.

Q What next, Mr. President?

THE PRESIDENT: I do not know; I have not thought about it.

Q Any other name?

THE PRESIDENT: I have not thought about it yet.

Q Is there any use sending up another name?

THE PRESIDENT: I have not thought about it yet.

Q Will you consult Senator Glass or Senator Byrd before you send up another name?

THE PRESIDENT: I have not thought about it yet.

Q Were only two nominations sent in by the two Senators?

THE PRESIDENT: Yes.

Q When Benjamin Harrison became President he made the public announcement that Federal Judgeships should not be treated as Senatorial patronage.

THE PRESIDENT: That is right.

Q Do you care to comment on that?

THE PRESIDENT: I am inclined to think that it is about right.

Q Can you tell us anything about your railroad conference today?

THE PRESIDENT: Just checking up, making progress. There wasn't any real news. There was a chance for the members of the I. C. C. and the two chairmen (Senator Wheeler and Representative Lea) and I to talk over various phases, but only in general conversation and no details yet. They are getting on quite well with their hearings and, as I understand it, the I. C. C. will go up there after most of the rest of the testimony is in so that they will have a chance to comment on the evidence that has been given ahead of them.

Q Mr. President, are you familiar with the report which was made to the District Committee of the House with respect to the change of form of government here? I think --

THE PRESIDENT: (interposing) They sent me a copy and I have got it in my desk for evening reading, and I have not gotten to it yet.

Q You do not care to comment on it now?

THE PRESIDENT: I would not dare to, but just from reading leads of the report it looks like an earnest effort to improve the structure of the Government.

Q Do you intend to look that thing over so that we can talk about it?

THE PRESIDENT: Yes.

Q The Chairman of the Federal Trade Commission, in hearings before Congress, said that he made a cost of living report to you last April or May but that it was never made public.

THE PRESIDENT: Mac (Mr. McIntyre), what happened to that?

(Mr. Early spoke to the President.)

THE PRESIDENT: Well, I do not know why I should not say just that. The material in it, Steve (Mr. Early) tells me, is tied up in a number of quite important court cases and therefore should not be released until the court cases are through.

Q What kind of cases --

THE PRESIDENT: (interposing) Another illustration of illicit and illegal Government secrecy. (Laughter)

Q Mr. President, there were reports about town, both published and not published, that we are now selling some of our anti-aircraft gun directors to the British. Would you care to comment on that?

THE PRESIDENT: Perhaps I should only do it this way: "That a President, who would not allow the use of his name, said --" (laughter). Is that a good lead?

Q If we can quote it.

THE PRESIDENT: Oh, I think so. You can use that.

Q What did he say?

THE PRESIDENT: The President, who would not allow the use of his name, said this: When he read this story in the paper yesterday morning he had a fit and proceeded to ask Steve (Mr. Early) to get to the bottom of it. Here, again, there are two phases in this. The story said that, with the President's approval, with

President Roosevelt's approval -- this must have been another President -- the U. S. Army has delivered to Britain a supply of its Universal directors. Now, get the distinction: There are two things (reading) "...vital instruments in the firing of anti-aircraft batteries, a private Senate inquiry disclosed Sunday night."

I won't give you the headline yet. Now, that sounds pretty startling. That is the lead. In other words, to the ordinary layman that means that the President approved and the U. S. Army delivered to the British a part of its supply, its own supply, of Universal directors, which are called "vital instruments in the firing of anti-aircraft batteries, a private Senate inquiry disclosed." In other words, that the President had told the Army to sell part of its stocks of these vital secret instruments. That is right. Now, that is the ordinary English interpretation.

So we looked it up and it turns out that after the war and up to 1930, the only suitable anti-aircraft director was a type manufactured by the Bickers Company in England, and that that was released by the Bickers Company for use by the British Government, and a number of these directors are still in use in our own Army. I will tell you what they are, there is no secret about it. When you have seen any of the anti-aircraft batteries, you have seen great big horns, like phonograph horns, only about ten feet long and six feet wide -- huge things.

The use of these patents was turned over to the Sperry Gyroscope Company and a number of experimental models were produced for us.

In 1937, these directors, through the State Department, were released for foreign sale and the Sperry Company was notified of that fact by the Office of Arms and Munitions Control. The director was released for foreign sale for two reasons: It was essentially defensive in character, it could not be used in an offense and, secondly, approval of a sale of an earlier model of the director could be granted that would meet the requirements of the British Government without disclosing information or data of a confidential nature. Third, that approval and the sale would enable the Sperry Company to provide facilities and tools to increase the production rate and lower the cost of them to our own Army. Prior to the sale to England, the Sperry Company could produce the directors at the rate of one a month, and principally because of this large order to England, they are now producing them at the rate of one a day. In other words, it has greatly increased our capacity to make them.

The tools for making them were the property of the Sperry Company for use in the production of directors for our own Government. As a result of this order, the War Department estimates that for this fiscal year it has made a saving of $250,000. for the purchase of ninety-three directors.

This year, the only other thing we got -- no, last September, an improvement in the director was made over here and the Sperry Company requested authority from the War Department to incorporate this improved device in future orders from the British Government and this authority was denied on January seventh of this year.

Well, of course the point of the thing is that the lead of the story scares everybody to death and it does not happen to be true.

Then the story goes on and speaks about the Army, "The Army, however, denied earlier reports that Britain was given its greatest military secret, a highly prized plane detector." That is a detector and of course there is no question about that, one way or the other, that whatever we have in the way of a plane detector has not been given to anybody and, if we have one only a very few people know about it and we hope that nobody else will know about it, if we have one.

However, I will say this, that because of all this publicity -- I won't mention from what source, I know and you know -- because of all this publicity about this detector which, if we have one, is a very secret thing, if I were a foreign government I would start in and spend all the money in the world until I got hold of one or the drawings of one. In other words, there is a lead for a foreign government. If we have got something that is good, that is a real secret, why, it is an open invitation to every foreign government that is not one hundred per cent friendly with us to go out and put every kind of spy to work in our own country on information received by this same person who gave it to the press.

I am not complaining about the press printing it -- of course it is a story -- but is it a patriotic thing, if we have a secret of this kind, to blazon it out for the benefit of foreign governments? I think that is a very nice question.

Is it, at the same time, right for that or similar sources to give out to a perfectly innocent newspaperman -- I will tell you who it is, there isn't anything unpatriotic about Bill Hutchison -- but isn't it a pretty rotten thing to give Bill Hutchison a lead that causes him to make the public believe that the Universal director, the big horn, is a dark military secret that has been handed out secretly to foreign governments?

Now you all, I know you sympathize with me on this, every one of you, as to selling a fellow down the river on a story which is a fact so far as the director goes but which ought never to have been talked out loud about as far as the detector goes. Now I ask that question. It is a pretty low deal, not only on the press but the public, not forgetting one of the Presidents who asked that he be not quoted.

Q You seem to have acquired new rules in the export of arms. You use the word "defensive." Is that to be a Government question on the export of military weapons hereafter?

THE PRESIDENT: I think it always has been.

Q Are the bombers --

THE PRESIDENT: (interposing) No, no. A thing that cannot be moved off the ground, a thing that has to stay here, that is a defensive instrument of war. Do you see?

Q That is, we can sell a defensive but not an offensive?

THE PRESIDENT: That was one of the considerations. It is the first time I have heard of it. I heard about it fifteen minutes ago. I suppose a special barbed wire [Fence ?] offense, I suppose that also would be a defensive article of war.

Q Was there any stenographic record of your famous conference with the Military Affairs Committee?

THE PRESIDENT: I don't think there was.

Q You do not?

THE PRESIDENT: I don't think there was. I think there may have been notes taken. I took some myself.

Q Did Mr. Kannee take any?

THE PRESIDENT: I do not know. I have not asked him.

Q Will you ask him now?

Q Mr. Kannee is sitting right there, will you ask him?

THE PRESIDENT: He does not know either. (Laughter)

Q Mr. President, would you care to comment on the agreement that was reached over the week end between the Tennessee Valley Authority and the Tennessee Electric Power Company with the Commonwealth and Southern Company?

THE PRESIDENT: I have not read all the details; I have not even read it. I have got a report on it somewhere here; I don't know where it is. Well, anyway, I can tell you that the only comment I can make is that it seems a very excellent solution of a somewhat difficult problem and one of the chief considerations is the fact that it will enable the power rates in the area served by the company, as I understand it, to be reduced between twenty and thirty per cent. I think that is sufficient comment on the whole transaction to make you feel that the agreement was worth while. In other words, the consumers of electricity in all of this area will save between twenty and thirty per cent on their power bills on the average.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #525,
On the President's Special Train en route from
Washington to Florida City, Florida,
February 17, 1939, 2.30 P.M.

THE PRESIDENT: Skipper, (speaking to Frederick Storm) how are the boys?

Q (Mr. Storm) Dry land skipper, Mr. President.

THE PRESIDENT: Come in and sit down. Have you got the whole gang here?

Q They are coming right along.

Q (Mr. Belair) We will take you at your word (sitting on the floor).

Q How do you feel, sir?

THE PRESIDENT: Fine, all right, except that I feel as weak as a cat. You know what happens to you after that damn thing. (Referring to his recent illness, grippe, which had confined him to the White House, in bed, for the previous six days)

After about two hours up the first day, I went back to bed. You look as though you need a little sun; I need it and so do you all; you look it.

Q Kind of pale.

THE PRESIDENT: Yes; even the big Viking (Mr. Storm) looks a bit off.

Q The doctors are prescribing three days in bed for all those (grippe) cases in Washington.

Q Have you got any news?

THE PRESIDENT: All quiet. What I think I will do -- I was talking to Bill (Mr. Hassett) this morning -- I am inclined to think that, between us girls, what I send in from the ship you had better use in quotes as it comes in because there is no use trying your hand at rewriting a maneuver story. You will get it all wrong. It is a difficult subject to rewrite.

Q Can the United Press have the exclusive use of your by-line? (Laughter)

THE PRESIDENT: What I think I will do, instead of it being from me, I will have it come in on Captain Callaghan. That is the best way. "Following received today from Captain Callaghan, Naval Aide to the President."

Q That well-known author. (Laughter)

THE PRESIDENT: That well-known author; that is right.

Q I suggest you have it corroborated by the exclusive United Press. That will all be directly quotable?

THE PRESIDENT: Yes; that is the easiest way.

There is not an awful lot. It is one of those things, you know; when the Fleet goes off that way there is damn little that can be said.

Q When you sail from Key West, will you go immediately to join the Fleet?

THE PRESIDENT: There you are. There is another thing we haven't the faintest idea of. In other words, the problem is that at the present time --

Q (interposing) You are part of the defending fleet, is that correct?

THE PRESIDENT: Probably.

Q Is Admiral Leahy aboard the HOUSTON with you?

THE PRESIDENT: Yes.

Q Will your ship act as umpire in this problem at all?

THE PRESIDENT: No.

Q It will be a participant as part of the defending fleet?

THE PRESIDENT: Subject to my right to take myself out of the game at any moment I want or to join up with any part of the force that I want.

Q As you probably have seen, it was testified before the Senate Military Affairs Committee that you, personally, paved the way for that French Military Commission to come over here and that this was over the protests of General Craig.

THE PRESIDENT: What was that in?

Q It was testified before the Senate Committee in executive session.

THE PRESIDENT: Who said that?

Q Several witnesses, including General Craig.

THE PRESIDENT: Who said that?

Q Morgenthau brought it out yesterday.

THE PRESIDENT: Hold on a minute, you are scrambling things. You are quoting from a portion of the testimony that was given out verbatim by Senator Austin. That is one part of it which was not, so far as I know, given out by the Committee. The other part was what Senator Austin said and of course on that I am not saying anything at all, obviously.

Q You would not care to say whether you did personally facilitate the French Military Commission's work here in purchasing --

THE PRESIDENT: (interposing) If you preface it by the fact that of course they had an absolute right to purchase planes in this country. Of course, the Government as a whole facilitated their purchase of planes; there is no question about that, but it was not doing a thing which was not absolutely one hundred per cent legal. You cannot separate the two statements.

Q Did you see the item appropos of that that Germany said they would sell planes to any and every buyer, including France, and give them five thousand if they wanted them to build up their effective force? It is the same thing we did here.

THE PRESIDENT: I did not see that. Who said that?

Q That is the statement over there by the Air Ministry or somebody, I do not know who.

THE PRESIDENT: It would depend on who said it.

Q There was an article in the Saturday Evening Post of this week by the editor of "Aviation," who was a guest of the German Government and who visited the various airplane factories, and he quotes the Air Minister in his story as saying that they were willing to sell --

THE PRESIDENT: (interposing) Now Fred (Storm), do you think that any official of any responsible government could comment on an article by a civilian in a popular magazine purporting to say what somebody else had said in some other country? That is the trouble with the American people today, that they are being fed that sort of thing and expected to believe it. Now, you can put that down. That is the kind of bunk -- repeat the word bunk -- that is being handed out. And, in the same way, we have people who set themselves up with a quasi military or quasi naval title as experts. They write attractively and sell their wares to a magazine or newspaper syndicate and they are thereupon accepted as experts by members of the House, the Senate and the general reading public.

We have lots of examples of that kind. I will tell you off the record, but this has got to be off the record, one fellow that we can think of at the present time. This has to be off the record so that we can have a meeting of the minds. His name is Eliot --

Q (interposing) George Fielding Eliot?

THE PRESIDENT: You know who he is. He has been connected with U.P., I believe, and somebody took him up. He wrote a very interesting book on the Service. He gave the real low-down. Brother Eliot is very simple. I believe he was born in this country -- this is all off the record but just illustrates -- born in this country and taken to Australia when, I think, he was two or three years old. He was brought up in Australia and, sometime during the World War -- I think he went as a private in the Australian forces, the Anzac Corps -- he went over to France and served in France in two or three engagements, I think very well, as a private or corporal or maybe as second lieutenant. All right; no kick on that.

At the end of the war he drifted around for a while and tried to sell some articles but he could not do it; he could not make a living. He came back to this country and although he hadn't been in this country since he was two or three years old, he had been born here and therefore had a right to citizenship and, as an American citizen, in 1921 or 1922 he decides that he wants to go into our Army Reserve Corps. He goes through an R.O.T.C. course. All right; fine. I think he went to two of them and then was made, I think, a major in the Reserves.

About 1926 or 1927, along there, he got his usual annual post card or letter from the War Department as a Reserve Officer. He never replied. If he had not received the post card or letter, the thing would have come back, "Not known at this address." At the end of a couple of years of this he was dropped for complete failure to reply. He was dropped from the Army Reserves.

Now, I ask you, is that a man with any pretense of being an expert on military affairs?

He kept on trying to sell stories to the papers and magazines and nothing happened; nothing doing.

This past fall he happened to get out a book which he just happened to time right and it had a popular sale -- it is well written -- whereupon, today, he is taken to be by everybody a great military expert.

Now, that is the kind of stuff that is handed out to the American public.

Q Did you have in mind, when you made this remark about bunk, this kind of bunk?

THE PRESIDENT: This kind of fellow.

Q That was in answer to Fred's (Mr. Storm's) question about the Saturday Evening Post.

THE PRESIDENT: It is the kind of thing that we have to avoid. You can find lots of cases. You can find Army officers and Navy officers who go completely haywire. We don't have to mention any names.

Q Is there anything in his book that is open to that kind of criticism?

THE PRESIDENT: Only this, that nobody pays any attention to his book that knows anything about it.

Q His premises are wrong?

THE PRESIDENT: The book does not mean anything at all. Then, if you will remember, in one of those articles, there were some solemn assurances that he had it from unimpeachable sources as to the number of planes that Germany had. This has to be still off the record. Well, of course, if you state that solemnly enough, people will believe it. "I have it from unimpeachable sources." Well, his facts do not jibe with the facts the American Government believes to be true. On the other hand, if anybody with a "Major" in front of his name, who has written for books and who has written for a newspaper syndicate and who has been widely heralded goes out and says, "I have it from unimpeachable sources," my God, what does one do about it? You see the difficulty? I am talking about that (difficulty) which the American public labors under. And then somebody in the House who wants to talk pacificism or play up to his own district or something like that, or somebody in the Senate, they pick it up and say, "See what this man says. That is my authority." Bob Reynolds.

You see, that is why we have to be so terribly careful about answering any questions along that type of line. The same way, how can we answer any questions about what a magazine story says about what somebody said to somebody else over in Germany? It does not make sense. That is not part of a legitimate newspaper story because that is not news, it is supposition.

I am not trying to teach you how to run your own jobs, but, in these days, it is a mighty serious thing to put down as fact, even with the usual qualifying clause, which people pay no attention to, things that are made out of whole cloth or things that are based on your Saturday Evening Post stories or things like that.

Q As you pointed out before, every male over sixteen is an amateur strategist at heart and just eats that stuff up.

THE PRESIDENT: Yes.

Q Is there any noticeable reaction on the part of the people to those stories in evidence?

THE PRESIDENT: Yes, very much. Read any of the debates in the House on this new bill that went through the other day. Of course, the final vote was grand, perfectly grand but, in the course of the debate, there were things said there which were featured and put into the lead in a great many instances.

For instance, I was talking -- this has to be off the record -- I was talking to the Vice President yesterday at Cabinet and we all agreed that if you go by the final vote, it is perfectly grand -- there were only fifteen votes against it -- but think of all the poison that has been sold, all the misinformation that has been handed out in the course of the debate on that bill. It is perfectly terrible. If they would only look at the vote, it would be grand.

Q I take it you are suggesting that we not be amateur strategists?

THE PRESIDENT: Yes. I will tell you what it is like. Keep all this off the record, all the way along. So many -- it is like the use of English in saying that the frontiers of the United States are on the Rhine or in France. Of course that is utter rubbish but there is an element -- there is a thing that can be said, and you can take this so that you can get the general slant -- we, being all in the family, we can talk quite freely -- what is true is an entirely different thing but, in the hands of an unscrupulous person like Nye or Bennett Clark, on this particular subject, it can be made, it can be so completely twisted around as to be an awfully dangerous thing. Let us put it this way and you will see the point, to give you an inkling of what happened two weeks ago:

There are certain nations, about thirty or forty strong -- perhaps thirty outside of this continent -- whose contined independent political and military and economic existence and, let us say, their economic independence, the continuance of those three factors, especially the political independence and economic independence, as long as they continue to have it, it acts as a protection for the democracies of this hemisphere. You see the point?

Now, suppose I was to say that the continued independence, in a political and economic sense, of Finland is of tremendous importance to the safety of the United States? Now, isn't that a very different thing than saying that the frontier of the United States is in Europe? It is an entirely different thing. Suppose I was to add to that and say that the continued independence, the political and economic existence of Esthonia, Latvia and Lithuania is of tremendous ultimate importance to the defense of the United States?

Suppose I go a little further and say that the continued economic and political independence of Sweden, Norway and Denmark has a great bearing on the future defense of the United States and of the democracies of the new world? Of course it has.

Now, go on down the line and say the same thing about Holland and Belgium and Portugal and Switzerland -- the continuation of their political and economic independence. Greece -- I will have to go clear around the corner -- Greece, Egypt, Turkey, Persia. There are quite a lot of nations I have named in there. The destruction of their economic and political independence would seriously affect the defense of the United States. Therefore we have a continuing interest in their remaining free and independent.

Now, last autumn, before September, we could have added other nations to that, Czechoslovakia. Now, there is a very practical illustration: Up to September, Czechoslovakia had independence, political and economic. So, last spring, March, did Austria. Austria went last March, and to all intents and purposes Czechoslovakia went since then and, since then, to all intents and purposes, Hungary has gone. Hungary has really got as much independence as it had a year ago. Yugoslavia says, "Yes, we will do anything. We will sign on the dotted line. We will trade with you." They are not so independent; neither is Bulgaria or Roumania. Roumania is scared pink. In other words, those nations did, a year ago, constitute an item.

Now, that kind of a story is absolutely, one hundred per cent, true, but that is a very different thing from talking about the frontiers of the United States being on the Rhine.

Q How do you suppose they got to use that term?

THE PRESIDENT: Very simple. It is the kind of term that could scare the American people, politically, and out of which they could make political capital.

Q Do you think it was deliberate?

THE PRESIDENT: Sure, and you and I know it. All you have to do is to see the people who did it.

Q Well, talking about foreign affairs, can you tell us anything about your discussion with the Minister of Foreign Affairs of Brazil?

THE PRESIDENT: No, not on the record, John (Mr. O'Donnell). We talked -- and on the record you can say this, that we discussed the economic relations between the two countries, and that things are going along very well there.

Q There have been reports that he was going to suggest, that there was to be discussed the idea of American colonists going down there?

THE PRESIDENT: Actually I heard about that but we did not talk about it. I did not get around to it. We talked for an hour about the economic and political situation but we did not get on the subject of colonies or colonization.

Q That would bear the implication, that struck me, that here we are getting to be an old country and that the young and vigorous must look for opportunities under a foreign flag. Do you subscribe to the idea of our economic future that the young men who are ambitious would --

THE PRESIDENT: (interposing) Yes, of course I think it is a great chance for a whole lot of young Americans. I think it is a grand chance. I think there is nothing to keep them from going down there. Brazil has one of the greatest futures for development in the world.

Q Is this on the record?

THE PRESIDENT: You can use all this. It is a grand chance but I have not talked about any plans for colonization or anything like that.

Q Isn't it remarkable in our short history as a nation that here we have reached this point now where the ambitious young men must leave the shores?

THE PRESIDENT: You are right on that, that it is a period, nationally, where we have, perhaps, come to that point. On that subject there is a very interesting historical fact which was so insignificant that it did not really amount to anything. At the end of the Civil War a very large number of Confederate officers, whose homes were gone, their families even gone to the four winds, they had nothing to look forward to, their businesses were gone, their professions were gone, even the places where they had been brought up -- I don't like to say how many there were without checking it up -- but there were a good many hundreds of them that went down to Brazil and settled there. Their descendants are, today, in Brazil. Some of the finest families in Brazil are descended from those Confederate officers.

So there is, really, a historical background for future Americans to go down to Brazil, not because there is a civil war but for economic or family reasons, people who are looking for a new place to which to go. That is a very interesting historical story on that. Did you ever know about it?

Q I did not, no.

THE PRESIDENT: Do you know how many hundreds there were?

Q It seems to me there were somewhere around seven or eight hundred.

THE PRESIDENT: I think so. You (Mr. Trohan) are the expert on Brazil. Didn't you find out about that?

Q (Mr. Trohan) I think there are several thousands of descendants of them. They settled south of Rio.

THE PRESIDENT: Yes.

Q If that were carried out, wouldn't it drain our nation of its best and most vigorous young men?

THE PRESIDENT: No. What percentage?

Q I mean, it would be the first time in our history that people have left the flag to seek opportunity in foreign lands.

Q Canada, John (Mr. O'Donnell)!

THE PRESIDENT: Yes, thousands went to Canada.

Q And thousands in Mexico.

THE PRESIDENT: There are really thousands in western Canada.

Q After the Mexican War, weren't there thousands of Americans who stayed on in Mexico?

THE PRESIDENT: A few hundred, I think; that is about all. You see, we never had very large armies down there.

Q Can you say anything on or off the record about Spain and recognition?

THE PRESIDENT: No. Off the record, there isn't anything we can say.

Q In connection with Wayne Chatfield Taylor's resignation yesterday, the report has been circulating around that he actually resigned because he differed from the Administration and the Treasury Department over the handling of the stabilization fund.

THE PRESIDENT: I do not think so. We talked about it quite a while. Did he have anything to do with the stabilization fund? I don't think so.

Q His foremost idea was that the Treasury should attend to its own knitting.

THE PRESIDENT: That is new to me.

Q I read one story on that this morning. Chatfield's (Taylor's) belief was that the Treasury was seeking to aid certain nations on the basis of political ideologies rather than on fiscal or monetary grounds.

THE PRESIDENT: It sounds to me like a lot of words put together.

Q Sources close to the White House have been hinting that there was a business appeasement program in the making. Do you know anything about that?

THE PRESIDENT: Let us put it the other way around. Let me ask a question: What is there to appease? Now, be specific.

Q (Mr. O'Brien) As I understand it, the Administration is attempting to remove so-called fear by (of) business --

THE PRESIDENT: (interposing) Well, now you have to be specific.

Q Specifically, take the utilities, Mr. President.

THE PRESIDENT: All right. Now, on utilities, we will answer that very simply and clearly. You cite that as an example?

Q Yes, that is one.

THE PRESIDENT: Now, for about, oh, I should say a year and a half, about ninety per cent, probably ninety-five per cent of the utility people in the United States have known and accepted the fact that the Government was going in for no further power development. During that year and a half every utility company -- that is, the holding companies because there has never been any trouble with the operating companies -- has come in gradually and registered under the S.E.C., with two exceptions. You will remember that about three or four months ago Groesbeck came in to see me. Everything was lovely; his company had decided to register and his company was one of the big companies that had been holding out. That was Electric Bond and Share. When he came in that marked the complete understanding between the utility companies and the Government, that the Government had no further program for power development, and that the S.E.C. Act was constitutional, and that everybody was going to proceed in a friendly way to carry out the existing law. In other words, there was no further utility problem, therefore there was no fear.

Now, there are only two exceptions to that in the entire United States. One was the Associated Gas and Electric Company, which is and has been, for a long time, involved with the Government on charges involving failure to live up to the law and charges involving fraud. That one company, out of all the companies in the United States, has not been settled in any way at the present time. That is a pending question. In that case fraud charges and charges of illegality are still before the courts and will be for some time. The rest of the industry understands that situation thoroughly and is not in any way disturbed by it.

The only other company out of these dozens of companies was Willkie's company. His company was involved in only one of its many areas (that it covers) and that was the Tennessee Power Company area. That was only one of the many operating companies that are owned by Commonwealth and Southern. Now, that has been settled, therefore that is no longer a pending question.

So you see, when you come down to brass tacks, there is John's (Mr. O'Brien's) illustration. You see how that works out?

Q Do you know to what extent the utilities have gone forward with the program they laid out with the War Department for integrating systems?

THE PRESIDENT: There is nothing today that stands in the way of going ahead with it and there has not been for a long time.

Q They have promised to do things in the way of building programs that never got any further --

THE PRESIDENT: (interposing) What we are hoping is that they will go ahead with all construction plans that they have.

That is a very good illustration about generalities which, when reduced to specific facts, destroy the generalities. That is a good line.

Q There are some so-called big businessmen in this country who feel that they should not spend stockholders' money on plant expansion as long as they feel that the budget is unbalanced.

THE PRESIDENT: Isn't it a fair thing to say to them: "Gentlemen, come into my office. Here is the budget. I want to be constructive and so do you. Will you go over that budget with me and give me specific recommendations as to how to bring it in balance? That means, of course, that you have to take it item by item and tell me where you can cut and if, after having cut it and you are still not in balance with present taxes, what do you then propose to do?" That is a fair American way of putting it.

Q Is it up to the businessman or the Chief Executive to take the initiative?

THE PRESIDENT: It is up to the businessman if he complains about the budget being out of balance. In other words, if he comes out publicly and says, "I won't do anything until the budget is in balance," then it is up to him to tell me how it should be done. That is just common sense and I will be delighted, perfectly delighted, if he will come in and make specific recommendations, and then, when these specific recommendations have been made, there is something for Congress to debate and act on. You see, Congress passes tax laws and the appropriations. We have got to have from any complainant, who does not like this or that, we have to have from that complainant a suggestion as to how it can be better done. That is just old man common sense.

Q It has been suggested that you might recommend taxes and a method of balancing the budget.

THE PRESIDENT: No.

Q It is up to the Congress?

THE PRESIDENT: Oh, no; I do not think you need worry much about taxes. As you know, on taxes, we would have to do something if Congress were to fail to reenact present taxes, the ones that expire, or if Congress, on the other hand, were to pass very, very large additional appropriations outside of the budget. Of course, if we did that, that ought to be taken care of with new taxes, but there isn't any prospect of either of those things happening, therefore it is not a moot question at this time.

Q Mr. President, to get back to the defense question for just a moment: Is there anything you can give us, on the record, to counteract that unfortunate statement that our borders lie on the Rhine? Just where are our borders?

THE PRESIDENT: No, because, having told you all this off the record, I think that unconsciously, in the writing of future stories, not in the next two weeks but in the next few months, now that you have the low-down, that you will subconsciously infiltrate the idea into your stories. That is an honest, polite way of putting it.

Q In other words, bend over forwards back?

THE PRESIDENT: What they call subconscious infiltration.

Q You might have let us take notes on it, though. (Laughter)

Q Is there anything you care to say in connection with these maneuvers? This is probably a hemispherical defense?

THE PRESIDENT: I think it is better to hold that until we get out and Dan Callaghan gets the stories over to you. On that it is very possible that easily two or three days may go by without a whisper from the ship and that will be bad. All you can do then is to say, in regard to the President, that no news is good news.

Q There will be more than a whisper from our offices. (Laughter)

Q Will you please instruct Mr. Callaghan that deadlines are early and regular?

THE PRESIDENT: On that, what time do you want us to get it in to you? What is the best time for all of you?

Q How many dispatches a day are you going to send?

THE PRESIDENT: Probably only one. There will be some days you won't get any at all. You will probably get a dispatch twice a day for the first three or four days. When do you want to get those?

Q One about 10.00 in the morning and another about three-thirty in the afternoon.

THE PRESIDENT: You won't get one at 10.00 in the morning. I might send it out in the late evening.

Q We would like one for the day stories and then one for the night stories. Four o'clock would be for the overnight and 10.00 o'clock --

THE PRESIDENT: (interposing) I think the way we would handle it, the best thing to do, is to write our story before we go to bed and then leave instructions to send it during the night, so that you won't get it -- Bill (Mr. Hassett) will give it to you the first thing in the morning. Is that all right? Around 9.00 o'clock in the morning Bill will have it for you. And then, the other story we will try to get that off about 6.00 o'clock. It will go straight to you around 6.00 o'clock without any delay. Is that all right? What time will you want to file down there, about 8.00?

Q At night?

THE PRESIDENT: Yes.

Q As near that time as possible. Six o'clock, if possible.

THE PRESIDENT: We will try to get it off. If we should happen to go out fishing, we will try to handle that 6.00 o'clock story before we go out in the afternoon. The best time for us to do it is at luncheon time.

Q Then that would give us a free afternoon. That would be perfect.

THE PRESIDENT: For the first three or four days we will try to get you two stories a day. They won't amount to anything because we will be just steaming along. But when we join up we may be in such shape that we won't even dare to send a word.

Q Your ship might be incapacitated?

THE PRESIDENT: Yes, sure.

Are you all going down to Key West?

Q Yes.

THE PRESIDENT: You will find it interesting down there.

Q In that connection, you are making two brief radio speeches. Have you got them in shape?

THE PRESIDENT: You will have them tonight, all mimeographed. I am way ahead of you.

Q Just so we won't sleep late, what time do you expect to get started?

THE PRESIDENT: Eight-thirty or quarter to 9.00. Is that too early?

Q I guess we can make it. (Laughter)

THE PRESIDENT: We might make it nine o'clock; it might be better.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #526,
At the Civilian Conservation Corps Camp on
West Summerfield Key, Florida,
February 18, 1939, 12.45 P.M.

THE PRESIDENT: Have you had enough to eat?

Q Fine.

THE PRESIDENT: George (Mr. Durno), how are they behaving?

Q (Mr. Durno) They are on their best behavior.

THE PRESIDENT: I do not see -- where is the big Norwegian (Mr. Storm)?

Q He is out front.

THE PRESIDENT: Is he (Fred Storm) the house mother?

Q He resigned as the house mother.

Q (Mr. Trohan) No, I resigned. We are a lot of ex-house mothers.

Q (Mr. Storm) Here I am.

THE PRESIDENT: I was waiting for the house mother. It is all right.

Q (Mr. Storm) The house mother was very busy.

THE PRESIDENT: I want to get something across, only don't put it that way. In other words, it is a thing that I cannot put as direct stuff, but it is background. And the way -- as you know, I very often do it -- if I were writing the story, the way I'd write it is this -- you know the formula: When asked when he was returning the President intimated that it was impossible to give any date because, while he hoped to be away until the third or the fourth of March, information that continues to be received with respect to the international situation continues to be disturbing, therefore, it may be necessary for the President to return before the third of fourth of March. It is understood that this information relates to the possible renewal of demands by certain countries, these demands being pushed, not through normal diplomatic channels but, rather, through the more recent type of relations; in other words, the use of the fear of aggression.

Q What was that?

THE PRESIDENT: The use of the fear of aggression. Further than that deponent saith not. I cannot, as you can readily understand. That does happen to be true. That is even since we left Washington. But it is just as well that the country should know that that is a situation and a possibility. Not by any means, a probability; it is much too strong to say it is a probability.

Q This latter we say on our own authority?

THE PRESIDENT: Yes.

Q (Mr. Durno) What are you going to do down in Key West before the broadcast, anything?

THE PRESIDENT: I think the Mayor is coming into the car just before we get to the city line and drive around and see all the developments that have been made there in the last five or six years. Of course it is one of the amazing things we have done, to keep a city alive and change it over from -- what is that technical term, not an abandoned city but a --

Q (interposing) Ghost town?

THE PRESIDENT: There is some technical term for it when all industries leave the city. I have forgotten what the technical word is. It really was flat on its back and, through W.P.A. principally, it has been turned into an entirely different type of community. There has been an enormous amount of work done in cleaning up and painting it. It has meant that people from the outside have begun to flock into it.

Q We flew down several years ago when you were fishing. It was a pretty sad looking affair then. The W.P.A. had just moved in.

THE PRESIDENT: Instead of being a thoroughly discouraged, dejected community, they are up on their toes again.

Q This road (the road from Florida City to Key West) ought to help.

THE PRESIDENT: I think that covers it.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #527,
Aboard the cruiser HOUSTON off Charleston,
March 3, 1939, 2.30 P.M.

THE PRESIDENT: How is everybody?

Q Fine.

THE PRESIDENT: Well, we had a grand time. I saw Fred (Storm) on the dock and he was being properly chaperoned so --

Q (Mr. Storm, interposing) Yes, sir; for the past two weeks.

THE PRESIDENT: Well, we sent you all the news we could send. There was not very much.

Q It was very good.

THE PRESIDENT: It was not very much but so much of the time we were at sea that we really -- there really wasn't anything you could say.

For two of the days, when we were at a point where we were getting in the messages and dispatches from the two different fleets, in order not to be sunk ourselves, we took the cruiser about two hundred miles into dry land. In other words, there were various areas of water in the plan which were, theoretically, dry land, so on a couple of those -- about three of those days that you did not hear from us we were way inland on this theoretical continent.

Q Which side won, Mr. President?

THE PRESIDENT: Well, they do not win in these maneuvers. I am sorry to have to bust up a lot of stories but -- (laughter)

Q Was the problem solved?

THE PRESIDENT: And also, Mr. Belair, the plan was not -- of these maneuvers -- was not changed after I started or just before I started. They were made about six months ago. (Laughter)

Q (Mr. Trohan) Do not put that in your copy, Mr. Belair.

Q (Mr. O'Donnell) What was the question posed by the problem which you attempted to solve or determine, Fleet Problem 20? We have been writing about it --

THE PRESIDENT: (interposing) It is terribly, terribly hard to describe it so that the average layman would not get a false impression from it. The main thing is this, that you have to eliminate from your mind every consideration of who a potential enemy is. In other words, you cannot translate this into terms of the nations. And you have to eliminate from your mind also any actual or existing geography. Now, that is very difficult but very essential.

I suppose the easiest way of putting is this: that if you assume a stretch of land -- mind you, you have to eliminate all existing geography from this, that is why you cannot say such and such land, hemisphere, or West Indies, or Panama Canal, or anything like that; that is entirely beside the point in these problems -- but you do assume a body of land, roughly two thousand miles long. Is that about right, Dan (Captain Callaghan)?

CAPTAIN CALLAGHAN: Yes, sir.

Q Two thousand miles?

THE PRESIDENT: Yes. Now, whether that runs east or west or north or south has no bearing on it either. It is nothing more than a stretch of land two thousand miles long with certain islands off it, with imaginary contours and, as evidenced by what I said a few minutes ago, with certain areas of actual water which are assumed to be dry land.

One fleet, with a mission of attack, is originally located about fifteen hundred miles away from this land area with its adjacent islands.

The object of this attacking fleet, fifteen hundred miles away, can be any number of specific objectives such, for example, as landing troops -- landing an army. (Their objectives can be) such, for example, as establishing an air base; such, for example, as establishing a naval base; such, for example, as destroying the defending forces -- Army bases or air bases or naval supply bases or patrol bases -- also, on the part of the enemy, of destroying units of the defending fleet. The ultimate objective of destroying units of the defending fleet is so to weaken the main battleship force of the defending forces that that battle force would become vulnerable to -- in other words, weaker than -- the main battle force, the battleships, of the attacking fleet. Or, to put it another way, if the attacking enemy can destroy the defensive air forces and the defensive scouting forces, and the defensive cruiser forces, obviously they are in a better position to make a main attack with their battleships on the defending battleships.

The same thing, of course, is true from the point of view of the defending forces. If, by attrition of the enemy, they are able to destroy his airplanes, his submarines, his scouts, his cruisers, then automatically the defending forces can make an attack with a definite superiority on the part of the attacking battleships.

Dan (Captain Callaghan), am I saying anything I should not? Is it all right?

CAPTAIN CALLAGHAN: No, sir.

THE PRESIDENT: Is it all right?

CAPTAIN CALLAGHAN: All right, sir.

THE PRESIDENT: You see how terribly complicated it is when this problem has a range or area that starts fifteen hundred miles off the coast and can and does attack a line two thousand miles long. There are raids and counter raids that go on day after day. That automatically proves the impossibility of anyone saying, intelligently, that one side or the other has won because -- let us put it this way: If, on the first day, contact is made between scouts of both sides, resulting in an action between those scouts, because of the fact that it is mimic warfare an immediate question arises as to which side has won. That is a purely unofficial determination with, necessarily, a big question mark after it. On the second day, another contact is made, with another question mark after it. Well, as the war problem progresses, you multiply question marks. It is like a series of "if" questions, the second "if" question being based on the first "if" question and the third "if" question being based on the second and the first. You see, actually you do not arrive at any useful point. (Laughter) Now, that is very descriptive.

Q (Mr. Trohan) And very clear, too, Mr. President. (Laughter)

THE PRESIDENT: Very clear.

Q I am just wondering what my report is going to be.

THE PRESIDENT: I know it is very difficult. As a matter of fact, on this particular problem, on this particular problem of all these "if" questions relating to the contacts of the first week, they were answered by an umpire's determination and, at the end, a great many of the multitudinous units of the fleet, airplanes of several different types, submarines, aircraft carriers, destroyers, light cruisers, heavy cruisers, had been declared either put out of action or damaged. But, in order to hold a tactical exercise the last day, all of those ships which had been sunk or damaged were declared restored to full usefulness. And, as I tried to point out, the last day's battle was nothing more nor less than could have been held any time off any part of the United States on twenty-four hours' notice. Practically speaking, the battle itself, on the last day, had no relationship to the previous week's problem, because all the ships were, by edict, restored to full usefulness.

Now, as you say, that is a pretty darned hard story to write. I do not know how I would write it. But I have told you everything there is to base it on. You cannot say that one side won or the other side lost, that there was victory for one side or the other. I think the only thing you can say is that, as a result of the week's work, there were many lessons gained in the sense that we tried out units of the service, those units you know about, different types of planes and cruisers, destroyers, et cetera and so on, in different ways and under different conditions from what we had used them before. Each of these fleet problems does teach something in the use of each arm of the Naval Service and its relationship to the other arms of the Naval Service. That, really, is why there is not much of a story on it.

I would emphasize the fact that this has not been done in these waters for a great many years and, of course, has never been done on a scale of this kind before. In fact, I am not sure that it has ever been done before in the particular waters we used. The exercises before have related to what might be called the inner defense of the Caribbean Sea, roughly that stretch of water from Key West, including the line of the Windward and Leeward Islands, down to the coast of Venezuela and thence to Felix's (Mr. Belair's) Panama Canal and Central America.

Q (Mr. Belair) I did not have a copyright on it, Mr. President. (Laughter)

THE PRESIDENT: But this particular exercise was entirely outside of that zone.

Q (Mr. Trohan) In other words, you are satisfied with the conduct of both fleets?

THE PRESIDENT: Yes.

Q Did they work well?

THE PRESIDENT: Excellently, and we learned a great deal.

Q (Mr. O'Brien) Would these conclusions reveal any deficiencies that would have any bearing on the construction program?

THE PRESIDENT: No. Of course there are always things to be learned about new ships. For example, we were very well satisfied with the new type of destroyers and destroyer leaders. We have never had anything like so many of them operating with the Fleet as we did this year because so many have been going into commission during the past year.

Q Charlie Edison said the other day that one of their new ones broke the course record on the trial run up at Newport but he would not reveal the speed.

THE PRESIDENT: Did he? Then, there are other things that are not so spectacular but, nevertheless, important. For example, there is the problem of fueling ships, the necessary number of tankers you have to have and under what conditions you can fuel at sea. The question of supplies, and there is also the question of the necessity of bases. I think it can be said that it was fairly well established with this problem that our recommendations for a base in San Juan and in St. Thomas have proved to be sound?

Q What were those?

THE PRESIDENT: San Juan, Puerto Rico, and St. Thomas, Virgin Islands.

Q Air bases?

THE PRESIDENT: Well, I would not say that. It is a bit difficult to describe them. I would call them subsidiary bases; in other words, they are not, either of them, big enough to take the whole Fleet. They are not battleship bases; I would say they were more air bases.

Q Have you completed your speech that you are going to deliver tomorrow?

THE PRESIDENT: I have got a draft which Mr. Kannee and Bill (Mr. Hassett) and I are about to go over, just so we can put in a few choice words, and then it is going to the mimeograph machine. Bill (Mr. Hassett) has the choice words.

Q Bill (Mr. Hassett) has been getting a lot of them.

THE PRESIDENT: I think you will get the text tonight on the train;

that is not bad.

Q Will that have any reference to the maneuvers?

THE PRESIDENT: No.

Q The A.F. of L. and the C.I.O. leaders have indicated that they are waiting on you to start these peace --

THE PRESIDENT: (interposing) I do not know what arrangements have been made, only what I have read in the papers. I do not know whether they meet with the Secretary of Labor first or with me. I will have to find out when I get back.

Q Senator Glass was raising a rumpus yesterday when Secretary Morgenthau appeared to ask for a continuation of the stabilization fund until 1941. He said he objected to giving any more powers to the Administration where the fiscal program was concerned. Is there anything you can say about that, sir?

THE PRESIDENT: I would suggest that we follow the Constitution, which provides that no member of the Senate or the House shall be questioned for any remark or speech made in the Senate or the House. (Laughter)

Q Will you elaborate on that, Mr. President? (Laughter)

THE PRESIDENT: Do you like it? (Laughter)

I sent a telegram to the new Pope Pius the Twelfth, and Bill (Mr. Hassett) will give you a copy of it on the train.

Q Is he coming over, Mr. President? (Laughter)

Q He was over here last October.

THE PRESIDENT: Off the record, you are thinking of the 1928 campaign.

Q I just want to thank you for not appointing a Protestant. (Laughter)

THE PRESIDENT: You know they can, under the law, and it (the Pope) does not even have to be a priest. Did you know that?

Q That is true. All he has to be is of a sound mind and body.

THE PRESIDENT: I suppose he ought to be a Christian.

Q I do not think they require that.

THE PRESIDENT: This is all off the record, by the way.

MR. HASSETT: At least the first Pope was not always a Christian. (Laughter)

THE PRESIDENT: Yes, there were quite a lot of pagans they had there. I suppose, also off the record, although my good Catholic friends do not like to talk about it, there was once a woman Pope.

Q Pope Joan.

THE PRESIDENT: Pope Joan, sure.

Q Did you do any fishing?

THE PRESIDENT: Yes, we did. We stopped three times, once on the south side of Santo Domingo, once about two hundred miles theoretically inland at a place called Avis Island, and the third time at West Caicos Island and we got no fish to speak of until the day before yesterday when we caught about twenty all told.

Q We are all getting together and chipping into a little fund to found the Daniel J. Callaghan Chair of Journalism at Annapolis. (Laughter)

THE PRESIDENT: I think that is very good.

CAPTAIN CALLAGHAN: I think that is fine; thanks to you, Mr. President.

Q What time are you leaving the HOUSTON today?

THE PRESIDENT: About 5.30.

MR. HASSETT: Sundown is 6.15.

THE PRESIDENT: And then the train leaves at 8.00 o'clock and we get in at 8.30 in the morning and then we have, as I understand, the services at St. John's at 11.00 o'clock, and from there go right up to the Capitol and have that party. I am going to try to catch up on my mail in the afternoon and then I have the Cabinet Dinner in the evening.

Q Where is that?

THE PRESIDENT: I think it is the Carlton Hotel.

Q As a local newspaperman, could you give us a word of greeting to the people of Charleston and South Carolina?

THE PRESIDENT: I can repeat what I said before, that Charleston has become, definitely, the Presidential point of departure or return, and I am very glad to learn from the Commandant, Admiral Allen, that there are 4200 men, I think he said, civilians now employed in the Navy Yard. Those, of course, include the people on P.W.A. and W.P.A. work and we hope, on our shipbuilding here, to keep at least the present pace. It has not yet been decided whether the Yard will build a light cruiser or two destroyers but, from the practical point of view, the payroll in either case will be about the same. Cruisers take longer to build than two destroyers.

Q Did they ever build a cruiser here before?

THE PRESIDENT: I do not think so.

Q I see they finally painted the HARTFORD up for you.

THE PRESIDENT: On that, if you want a story, -- but I do not know how Charleston would like it. Of course it has been my thought -- you have had this story before, I think -- for about twenty years that when the new Navy Department building is built in Washington on the river, above the Lincoln Memorial, up beyond the Naval Hospital, that there would be a sea wall right in front of the Navy

Department, and we would have there three or four historic ships moored alongside and open to visitors, ships to be kept in the original condition that they fought in. The general plan was to place there the CONSTELLATION, which took part in, first, in the war against France in 1798, and then in the war against the Barbary Pirates in 1805 and served all through the War of 1812. That, of course, would represent the foresail type of full-rigged ship, and then we would also have the ship HARTFORD. That would involve towing it around this summer to Washington and fitting her up in her original condition. Then, for the Civil War, the U.S.S. OLYMPIA, which was Admiral Dewey's flagship at Manila Bay and which, I think, is now in the Philadelphia Navy Yard. Then for the World War, the most characteristic ship we could have there would be one of the World War type of destroyers, preferably one that saw actual overseas service.

I am inclined to think that, if we go ahead with that plan, we will try to tow the HARTFORD to the Washington Navy Yard sometime this summer when the going is good for getting around Hatteras.

Q On your purely local remarks, have you any objection to direct quotes?

THE PRESIDENT: Yes, you cannot do it.

Q Thank you, Mr. President.

THE PRESIDENT: Did you all have a good time?

Q (Mr. Trohan) We worked very hard. (Laughter)

THE PRESIDENT: How were the ponies?

Q Not so bad.

THE PRESIDENT: They were all right? Treat you well?

Q Off and on.

THE PRESIDENT: How was Miami this year?

Q Overcrowded. They had more people this year, they say, than ever before in its history.

Q There is a terrific amount of building, too. There are blocks of houses being built within sixteen or eighteen minutes from where we were.

THE PRESIDENT: How about apartments?

Q Not so many of them. They are beginning to put them up now, over on the Beach particularly.

THE PRESIDENT: What are they doing about that key south of the channel from Miami Beach? What is it called, Biscayne Key? It is on the other side of the ship channel.

Q (Mr. Storm) They were dredging it down there. It looked like they were building another island into the Bay.

Q (Mr. Durno) The season got off to a late start but it is booming now.

Q (Mr. Trohan) The season is not as good as they were getting.

THE PRESIDENT: Well, it shows that the country isn't busted.

Q Yes, if you were in Hialeah, you would not think it was.

Q Or a few of the crap games that go on at night.

THE PRESIDENT: Big parties?

Q Yes, sir; big money too.

THE PRESIDENT: Did you get up to Palm Beach?

Q There was 750,000. up at Hialeah one afternoon.

THE PRESIDENT: People?

Q Dollars bet in one afternoon.

Q Yes, three-quarters of a million dollars.

Q Our people down here (in the South) would be interested in anything you can say as to our position as the Nation's economic problem No. 1. Has there been any change?

THE PRESIDENT: I cannot say that there is yet. I hope there is going to be. I want to help in every way that I can to bring it about. Of course, in the last analysis, there is no one cure-all, like reforming the freight rate problem. The real fact is that remuneration for work in the South has got to be increased -- all kinds of work -- because a family that only sees $200. or $300. a year in cash obviously has so much less buying power than they have in the North. It does not make the wheels of industry go around. Now, that starts right in the little community. It means that if the average family cannot buy shoes, clothing and paint and lumber to make repairs, agricultural implements and all of those things, it means that the local store cannot make money because it has practically no turnover. It means that the local preacher and the local doctor get so little pay that the professional people haven't got purchasing power.

The result is that, if the population as a whole in the South are so far below the rest of the Nation on a family purchasing basis as they are today, it gives very little incentive for the manufacturer to set up factories in the South to make things used by the population of the South. If, on the other hand, the family income can be raised even fifty per cent above what it is today, it means that more things would be made in the South for the South to consume. It means that some things which can only be made in the North would be bought by the South and that those people in the North who are given work thereby would be able to buy more of the raw materials of the South, such as cotton goods, fruits, other products of the soil, vegetables and so on.

Anything that is done to improve this economic problem No. 1 ultimately comes back to a question of a greater purchasing power on the part of the average southern family. That increase will help the South primarily and, incidentally, it will help all the rest of the country too. Primarily it will help the South itself.

Q Mr. President, does that increase apply to W.P.A. wages? Is it your idea to eliminate the differentials on W.P.A.?

THE PRESIDENT: No, no. You see, the percentage of population of the South that depends on W.P.A. wages is so small that that is a mere drop in the bucket. I am talking about the population of the South as a whole.

Q I realize that but I thought it would take in W.P.A. wages as an encouragement to the local employers to do likewise.

THE PRESIDENT: I think an analysis will show that the W.P.A. wage in the South today is --

Q (interposing) Above the farming wage, certainly.

THE PRESIDENT: Above the farming wage, yes.

Q We were talking about Hialeah a few minutes ago. Colonel Watson said he won seventy-five per cent of the pool on fishing.

THE PRESIDENT: Well, I suppose, strictly speaking, that that statement was true but it should be coupled with a very careful investigation, probably by a grand jury, as to how he won it. (Laughter)

Q (Mr. Trohan) He is running out of the door now.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #528,
Executive Offices of the White House,
March 7, 1939, 4.00 P.M.

THE PRESIDENT: Evie, (Mrs. Robert) how are you? Congratulations; glad to see you back.

Q (Mrs. Robert) Thank you, Mr. President; glad to be back.

THE PRESIDENT: Some of these boys have their sunburn off now and look pale. How are they behaving?

Q They did very well while you were away; kept everything in shape.

Q (Mr. Mahoney) We reelected Mr. Godwin, Mr. President.

THE PRESIDENT: Did he have to be reelected?

Q (Mr. Godwin) Same objectives.

Q (Mr. Storm) Merely went through the formality, Mr. President. Tommie Edmonds went into the telephone booth and cast one vote. (Laughter)

THE PRESIDENT: It is all right. How is the flu in town, by the way?

Q Breaking up; we had an awful lot.

THE PRESIDENT: It certainly does pull you down.

Q Get over yours all right, did you?

THE PRESIDENT: I'd almost rather have a baby than have the flu.

Q (Mrs. Robert, who had just recently become the mother of a baby girl) Oh, you don't know. (Laughter)

THE PRESIDENT: I thought I'd get a rise. (Laughter)

I had a grand time.

Q You are looking swell.

THE PRESIDENT: It was the most interesting trip, far and away, that I have ever had.

Q (Mr. Storm) On the next one I want to go back to sea again.

THE PRESIDENT: You would have understood the thing.

Q (Mr. Storm) I'd have loved to have seen it.

THE PRESIDENT: How did you like my exposition of the maneuvers on board the HOUSTON?

Q It was a nice big circle; it came right around to here but it made a good story. It was a swell way of putting it without --

THE PRESIDENT: (interposing) Yes.

Q -- without getting the Navy --

THE PRESIDENT: (interposing) I think you all handled it very well considering the difficulties at the time.

Q Yes, sir; it was a fine story.

THE PRESIDENT: (Speaking to all of the Press who had just assembled) We are talking in the front row about Naval Problem No. 20. We are having a grand time and I congratulated the Press on the way they handled my exposition the last day on board the HOUSTON.

Q In that connection, may I point out that, as a reporter with the friendly fleet, you suppressed the major disaster. I only learned this afternoon that the HOUSTON, with the President of the United States and the Chief of Naval Operations aboard, was surprised by a submarine and torpedoed and sunk.

THE PRESIDENT: Wait a minute, twice.

Q Mr. President, Admiral Leahy admitted that he was a rather bad lookout; he had not seen the submarine and did not know about it until the ship was hit. Were you any better as a lookout?

THE PRESIDENT: Worse. I did not even see the smoke bomb.

Q There seems to be, or there is, quite a drive for economy on the

Hill. Is there anything you can tell us about it today that would help us out with our stories?

THE PRESIDENT: I don't believe so because one of your own members suggested to me that there was a desire on the part of some of you to get me to talk so as to write a story of dissension, therefore I do not think I will say anything about it except that everything is going very nicely.

Q Will you tell us a little bit about the atmosphere of the peace conference this afternoon between the A.F. of L. and the C.I.O.?

THE PRESIDENT: It was excellent so far as the atmosphere went. I must admit that I did most of the talking because -- you got the statement. Well, that was what I said, only I did it a little bit more in extenso than the press release (would indicate). I suppose I covered about three pages where you got one. Both sides said that they were very glad to begin these conversations and both sides hope they will work out satisfactorily.

That is about all, except that we have offered them the facilities of a room and an office in the Labor Department, if they wish to use it, and I understand they are going to go there tomorrow morning at 10.00 o'clock for the first conference.

Q Did you see the C.I.O. proposition?

THE PRESIDENT: No. I say I did not see it. I have got it on my desk but I have not read it.

Q Mr. President, have you seen Brazilian Foreign Minister Aranaha for the last time on this trip?

THE PRESIDENT: He is coming in to luncheon with us tomorrow. I am giving him the postponed luncheon which was to have happened about three weeks ago, before I got the flu.

Q Can you tell us the general nature of the negotiations so far?

THE PRESIDENT: No; I have not been brought up to date on them at all. Also, tomorrow, I am receiving the new Brazilian Ambassador five minutes before lunch, presenting his credentials.

Q Are the negotiations nearly complete?

THE PRESIDENT: I really do not know. Since I got back Saturday morning, I have had that speech before the Joint Session and then yesterday and partly on Sunday I was preparing for this labor meeting today. I have had very little chance to look into anything else.

Q Anything you can tell us about the two bills that propose to revive P.W.A., one for $850,000,000. and another one for $500,000,000?

THE PRESIDENT: I know nothing about it.

Q Before you left you had Steve (Mr. Early) write a letter to Colonel Harrington on the California transient problem?

THE PRESIDENT: I have not had a report. I am seeing Colonel Harrington tomorrow -- I think it may be the next day -- to get his report in line with the last relief appropriation bill that went through and then I am going to talk things over with him and make whatever report is justified as a result of his information.

Q You mean this California problem?

THE PRESIDENT: No, I am talking about the general relief situation.

Probably I will send a Message up to Congress, I suppose probably not until next Monday, in accordance with their request in the last relief bill. What will be in it, I do not know, because I have not had any report from Harrington.

Q [illegible] be the Message in which you will ask for additional funds?

THE PRESIDENT: I do not know what I am going to ask for. If I asked for additional funds, it would be based on the facts which would be presented to me but which have not yet been presented to me and, therefore, any stories -- for instance, this morning's stories are all cockeyed because I have not the faintest idea of what the report will be. I cannot make a guess myself and I do not see how you can.

Q You mean the stories which included a statement that you would ask for $150,000,000? That is the statement you are referring to?

THE PRESIDENT: Yes.

Q Those statements were made without any -- they are out on the end of a limb?

THE PRESIDENT: Yes. I do not know. In other words, the report might ask for nothing or any sum between there and $150,000,000. I do not know.

Q Mr. President, has our neutrality legislation contributed anything to the peace of the world or contributed anything toward preserving peace?

THE PRESIDENT: The neutrality legislation?

Q Yes. Wouldn't we be stronger if we did not have any?

THE PRESIDENT: That is a terribly broad general question.

Q If we went back to where we were before we passed any neutrality legislation --

THE PRESIDENT: (interposing) Now you are making it worse. You are making it an "if" question. If you will confine it to the original question, "Has the neutrality legislation of the last three years contributed to the cause of peace?" If one can answer a question like that with a "yes" or "no" answer, I would say, "No, it has not."

Q The next question was, "Would we be even stronger if we did not have it?"

THE PRESIDENT: We might have been stronger if we had not had it.

Q Could we put the reverse on that question, that the existing neutrality laws have contributed to the other direction?

THE PRESIDENT: I should say, in some respects, yes.

Q What respects?

THE PRESIDENT: I cannot go into detail; of course you understand that. I have to answer it generally.

Q Mr. President, has this Government taken any steps toward the possible recognition of the Franco regime of Spain?

THE PRESIDENT: No.

Q Is it likely to?

THE PRESIDENT: I do not know.

Q Do we still recognize the Spanish Republic?

THE PRESIDENT: Yes.

Q Do you contemplate any conferences in the near future with business leaders looking towards your business appeasement program?

THE PRESIDENT: Nothing more than probably a great many visits with individuals. There will be no general, formal, round-table conference. Of course, as you know, I see a great many of them that you never hear of, right along.

Q Do you favor the principle of the Government guaranteeing some percentage of an actual loan made by a private banking establishment to business? In other words, the R.F.C., for instance, guaranteeing a loan from a private bank to a business -- guaranteeing some portion of the principle?

THE PRESIDENT: I do not know enough about it.

Q There have been several bills introduced on the subject. I wonder if you had an opportunity to examine them?

THE PRESIDENT: I did not even know there had been.

Q Do you care to comment on the opinion that the immediate repeal of the undistributed profits tax and the capital gains tax would speed the flow of private capital?

THE PRESIDENT: No, because I would have to find out something I do not know and that is how much money has come in in taxes because of that.

Q Have you offered any federal post to Harold G. Smith of Michigan?

THE PRESIDENT: No.

Q Have you been requested by Mr. Amlie or by his so-called sponsors or Senators to withdraw his nomination?

THE PRESIDENT: No.

Q Are you considering withdrawing it?

THE PRESIDENT: No; I have not heard anything about it.

Q Is your legislative program complete or are you contemplating sending in any more Messages outside of the one on relief?

THE PRESIDENT: Any major Messages? No.

Q Anything you can tell us about your conference with Senator Guffey (of Pennsylvania) today?

THE PRESIDENT: I do not know what we talked about -- I am trying to think. Nothing very important. I cannot even remember what we talked about.

Q It was a matter of a couple of jobs. I was wondering if there was anything -- (laughter)

Q Mr. President, there appears to be some opposition developing on the Hill in regard to the increase of the national debt limit. Will a request be made to increase the present $45,000,000. debt limit?

THE PRESIDENT: I think there was one made. Wasn't a request made?

Q No.

THE PRESIDENT: Well, it is not exactly a pending question, is it?

Q Well, I do not know. The limit would be reached about July 1, 1940, would it not, according --

THE PRESIDENT: (interposing) There would be a good many legislative days between now and then. I do not think that is a very important question at this time.

Q There are still several judgeships unfilled?

THE PRESIDENT: Well, I haven't had any talks about them. Frank Murphy is coming in this afternoon, about 5.00 o'clock, about a number of things, I suppose including judgeships, but I do not think we will talk more than twenty minutes. No decisions will be made, just preliminaries.

Q Do you think the defense of this Nation would be impaired by the passage of any legislation calling for a referendum prior to the declaration of war?

THE PRESIDENT: It might, very easily.

Q Could you expand on that, sir, and point out? The element of time is the important thing?

THE PRESIDENT: The element of time is important and another difficulty is a definition of what is war. It is an extremely difficult thing. Just use a very simple example: Back in Washington's administration we had no navy at all. We had no Navy Department; we had no ships. The last Revolutionary ship was sold just after the peace of 1783.

And then in Washington's second administration, the French Government, which was then under the directorate before Napoleon came into power -- in its general war against Great Britain and as a part of its war against the Italian states, sent out a very large number of cruisers and privateers, frigates and privateers, to wage war on British commerce. A large number of these ships went down to the West Indies, which was at that time the principal commercial field of the thirteen states -- actually there were fifteen states then. In fact, the whole seaboard was greatly dependent on this commerce of the West Indies and Central America and South America. In order to get to South America you had to go through or past the West Indies.

Beginning about 1796, we began to have our ships captured and our people killed and the ships and cargoes confiscated. That was the origin of the U. S. Navy. Congress set up a Navy Department and we started to build ships. Adams came in and those original ships were completed and Congress authorized the Navy Department to buy quite a lot of other ships and convert them into men-of-war. There was no war declared. It was, of course, actual warfare. This business of carrying on a war without declaring a war, that we think is new, it is not new. There are a lot of examples all through history.

By direction of the President, without any declaration of war by the Congress, these twenty or twenty-five ships of the Navy went down there and literally cleaned up that whole area of the sea. They captured, sank or destroyed the French privateers and French men-of-war, actual French Government vessels in the West Indies, and made it possible for the seaboard states to resume their normal trade, upon which they were so greatly dependent.

That lasted from 1798 down to 1800, two years, and if you are interested in it, the Navy Department has completed the seventh volume of a series of documents covering that quasi war against France.

It is just a question -- I just use that as an example. Suppose a similar -- not the same nation or the same locality, but a similar situation were to arise. Suppose at that time the operations had been conducted against -- what will I say -- the coast of what was then the coast of Louisiana -- actually we did not know that -- or the lower coast of Georgia, an attack by privateers. That would have been a direct attack on the defenses of the country. We might not have declared war.

In any Constitutional amendment that goes into effect that uses the word "war," you will have to spend two pages in defining war and, if you defined it, a situation would undoubtedly arise that would not come within the definition one way or the other.

It seems to me it is a general proposition that the representative form of government provided for under the Constitution should apply to that just as much as it should to almost any other type of action that is taken by the Government. They are all subject to Congressional action in the last analysis. John Adams could not have started a quasi war with France if Congress had not given him the money with which to do it. There you are.

Q I understand that the referendum of Louis Ludlow asks for a referendum on a declaration of war, which would seem to apply in the event of an attack on the Continental United States. I have always assumed, and I ask you if I am not right, does not the Commander-in-Chief have the Constitutional power to defend the Nation without any Congressional action?

THE PRESIDENT: Absolutely. Suppose a nation were to attack the United States or any part thereof, it is undoubtedly the Constitutional duty of the President to defend without the declaring of war.

Q I was right then?

THE PRESIDENT: Yes; that is true.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #529,
Executive Offices of the White House,
March 10, 1939, 10.45 A.M.

Q You have got a new fish out there (referring to the mounted fish which had been hung in the anteroom).

THE PRESIDENT: Yes, a golden one. That is a golden grouper. You know, it is a perfect shame we cannot match nature for when that golden grouper comes out of the water it is the most beautiful thing you have ever seen. It really is. It is golden but you cannot reproduce it.

Q The Smithsonian does not seem to do a very good job of stuffing. They do not give them that appearance of rising to the bait.

THE PRESIDENT: And yet, if you go to that fellow down in Miami he charges you $125. and then your express charges are about another $50.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any real news except that -- what will I call it, a personnel story -- I am suggesting that everybody in the White House should be fingerprinted, the whole White House staff over here, with the hope that it will spread to other departments of the Government and the Press. (Laughter) It probably is a good thing. I have always been in favor of everybody in the United States being fingerprinted.

Q Does that include yourself?

THE PRESIDENT: I suppose I was printed about twenty years ago.

Q Voluntarily? (Laughter)

THE PRESIDENT: No, involuntarily. I was fingerprinted twenty-two years ago when I went abroad.

Q The Women's Press Club went down a couple of years ago and were all done as we went through our sightseeing tour.

THE PRESIDENT: Now, there you are. There is your example. Follow the ladies.

Q Whom do you suspect around here? (Laughter)

THE PRESIDENT: No, I was afraid that some of you might wander off into the woods and get lost and when we found the corpse we would not recognize it.

Q What is your purpose? Are you going to have everybody in the White House fingerprinted?

THE PRESIDENT: Yes, everybody, hoping it will extend to all branches of the Government. It costs nothing. There you are: once done, done all the time.

Q Who will do it?

THE PRESIDENT: The Fingerprinting Bureau.

Q At the time the Social Security was organized there was some talk about using that means of identification. Is that likely to be adopted now?

THE PRESIDENT: I do not know.

Q Have you received the resignation of Judge Sykes from the Federal Communications Commission?

THE PRESIDENT: I believe it came in last night but I haven't got it yet. I expect to get it today.

Q Will you accept it, sir?

THE PRESIDENT: Yes.

Q A week or two ago, at the time of the report of the engineers on the Lake Erie (Canal), you wrote to the Interstate Commerce Commission, asking them to investigate coal rates, suggesting that if coal rates were reduced it would not be needed. Have you heard from that letter?

THE PRESIDENT: I did not quite put it that way. I said I thought there should be further study of everything before a final decision was made.

Q Can you tell us about your conference this morning with Mr. Taylor and other members of the Deficiency Subcommittee of the Appropriations Committee? What is the purpose of it?

THE PRESIDENT: I suppose to go over a good many things. We have not talked for a month or six weeks.

Q It is not associated with the economy drive up on the Hill?

THE PRESIDENT: Oh, no.

Q Tell us how you are going to implement your recovery program?

THE PRESIDENT: It is getting on very well, that is all.

Q Would you care to comment on the agreement reached with the Foreign Minister of Brazil?

THE PRESIDENT: Only that I was very happy that the thing worked out so well. It is going to do a lot of good, increase trade, increase the stability of the two currencies in relation to each other.

Q Do you regard that agreement as strengthening American trade system -- the United States' trade system in Latin America as opposed to the European barter system?

THE PRESIDENT: It represents the whole picture, not only in Latin America but all over the world.

Q In what form will you carry the matter of the $50,000,000. gold loan to Congress, the deposit to be made in the Reserve Bank?

THE PRESIDENT: You will have to ask the Treasury about that, Fred (Mr. Essary). I do not know what the mechanics are; I have no idea.

Q Will you venture a guess as to when we will have a Supreme Court appointment?

THE PRESIDENT: No, not yet. We always have to hold those, you know, as surprises. Isn't that the custom now, the well-established custom?

Q It is the custom; I do not know how well-established.

THE PRESIDENT: It is pretty well-established.

Q Mr. President, can you give us your reactions to any of the various plans for assistance to cotton?

THE PRESIDENT: Oh, just in the study stage now. Quite a lot of different plans and, of course, some of those plans have been merged into each other. It would take hours to explain them. I have not found anybody yet that understands them. (Laughter)

Q Mr. President, anything to say about your conference with Mr. Harrington (Colonel Harrington) on relief?

THE PRESIDENT: Well, except that there will be a Message to go up in response to the request for a statement in the last bill. It will go up, I should think, Monday or Tuesday. I am going to work on it over the week end and, of course, it will be primarily factual, stating, in the first place, what has been done in the past two months to eliminate certain classes of people from the relief -- for instance, 30,000 aliens -- to go through the whole of the people on relief and do the very best that one can, humanely, to eliminate from the rolls people who ought not to be there.

Of course, it has been perfectly clear, always, that with the changing conditions among a very large number of people, nearly 3,000,000, there is always a certain percentage who, because of changing conditions or error, should be taken off. It is, of course, a small percentage. That is a constant factor. I think it is worth while pointing out that, although I have never seen it put in the lead of any story, that that factor of error or factor of change, because it may be either, probably never runs more than about five people out of a hundred on the relief rolls. In other words, it is pretty good administration if ninety-five people out of a hundred on the relief rolls ought to be there.

Included in the five people who ought not to be there, are people who have acquired money or somebody is taking care of them and therefore they should not fall into the class of needy persons. In other words, they got means of subsistence after they had come on the rolls.

Then, of course, another group of people among those five out of a hundred, are those who are actually doing work on the outside, night work, et cetera and so on, and have not told about it. Of course they have to be separated from the W.P.A. rolls.

Then, in the original listing, there are always a small, very small percentage of people who got there because of some false statement, either on their part or the part of somebody else.

But the main point is that probably ninety-five out of a hundred on the relief rolls ought to be on the relief rolls and as to these five people out of a hundred, there is a constant elimination of them. Sometimes they do not catch the case for two or three weeks, sometimes for two or three months, but that small turnover among the five per cent, five people out of a hundred, is going on all the time.

Q The percentage of chiselers is small, in your estimation?

THE PRESIDENT: Very small. And then, of course, the other thing that I have never seen put in the lead of a story, that is that on the rolls for relief, the people who choose the names in a locality, they are local government people and not Federal Government people. The Federal Government does not attempt to list the people. In Meriwether County, Georgia, it is an organization under the County Commissioners. In Dutchess County, New York, it is the Welfare Department of the county, which is under the Board of Supervisors of the county, and so on through the whole of the country. They are local people who put the names of prospective needy people to go on the relief rolls; their names are put on by local government authorities. I do not suppose -- I suppose it is largely because the thing has not been stressed in the past, largely because it has not been printed enough. You have to report a thing like that. Probably half the population of the United States does not know those two facts, that ninety-five per cent of the people are rightly and justly on the rolls, which is a pretty good average and, secondly, the choosing of people to go on is a local government matter and not a Federal Government matter.

Now, on the larger question, the checkup of these five people out of a hundred is going on all the time and it is being done again since January in pursuance of what was the objective of Congress. Thirty thousand aliens have been separated. At the same time, we have checked up on the number of people that are on the waiting list and that number has increased slightly since the third of January, obviously because January and February, those two months, as you know, are after the Christmas season and before the spring pickup and there is always a seasonal decrease in January and February. Therefore, instead of having 750,000 people on the lists, needy people, certified by the localities as needing employment, which was the January third figure, now there are about 850,000, which is in accordance with the statement made on the third of January. They were the figures we estimated. At the same time, the new checkup showed that the original estimate of January we still think will hold good between now and the first of July; in other words, that a substantial number of people will be taken off the relief rolls. My guess, which was made back in January, was that it would be about 300,000, which would reduce the total number of people in the country who are either on the rolls or waiting to get on, from 3,850,000 -- in other words, the 3,000,000 on the rolls plus the 850,000 certified to the rolls -- it would reduce that to about 3,550,000.

That is just the preliminary check that I have had with Harrington.

Q Does that indicate that you will ask for $150,000,000?

THE PRESIDENT: I am not giving you any indication because that will be in the Message to Congress.

Q As these 30,000 aliens were thrown off the relief rolls in accordance with the Act of Congress, were they replaced by people on the waiting list?

THE PRESIDENT: Yes.

Q Secretary Hopkins does not like the words "business appeasement" with respect to your program to bring about cooperation between business and government. Would you give us a word we could use? (Laughter)

THE PRESIDENT: No, I do not think I would hazard one. I have one or two in mind, but I am afraid that either one would be misconstrued. You had better let me get out my old thesaurus and I will try to get one by Tuesday.

Q Since the correspondents cannot use the word "appeasement," couldn't they coin a substitute?

THE PRESIDENT: I wish you would try. Why don't you appoint a committee? I think the president of the Association (White House Correspondents' Association) and the dean of the Association (Mr. Russell Young) might appoint a committee to bring in a new word on Tuesday.

Q All right, sir; we will undertake to do that if you will agree to use it. (Laughter)

Q Couldn't you consult Stuart Chase?

THE PRESIDENT: Why?

Q He wrote it (referring to the word "appeasement").

Q We will undertake to bring in a word.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #530,
Executive Offices of the White House,
March 14, 1939, 4.10 P.M.

Q Is the new Secretary (meaning General Watson) too busy to come to the Conference?

THE PRESIDENT: I don't know what he is doing today; probably celebrating.

Q Earl (Mr. Godwin) has his pad full of words with synonyms of "appeasement." (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I think the first business before the meeting is a report from Mr. Synonym Godwin and Mr. Paraphrase Young.

Q (Mr. Godwin) Mr. President, we went into the thing very carefully and the suggestions we have from the committee, I think, seem to take on the aspect of the approaching Gridiron Dinner and, for that reason, I think that we of the committee had better say that the matter is still in the study stage. (Laughter)

THE PRESIDENT: The only suggestion I had in regard to the word "appeasement" was whether there was any connotation in it that suggested Austria and Czechoslovakia.

Q That is what we are afraid of.

Q Those were the only ones we dared show you.

Q Have you got another one that you can make short enough for the headlines writers?

THE PRESIDENT: No.

I do not think I have got anything. You read the Message that went up today at twelve o'clock and I have heard nothing since.

Q There has been a hysterical twenty-four hours in Washington over the statement that you had been asked to appoint Mary Holmes as District Commissioner. Do you care to say anything?

THE PRESIDENT: I am very keen about Mary. I have known her for a long time. But there isn't anything new on a District Commissioner and I do not think there will be for some time.

Q Are you going to wait until the Griffenhaggen report is threshed out?

THE PRESIDENT: Again, the whole thing is in the study stage, not only that phase but other phases.

Q Would you care to give us your views on Mr. Pittman's statement about building ships for Latin America in American yards?

THE PRESIDENT: I think it is a pretty technical thing. I think you had better get that from the Secretary of State. There is no question of loans involved; that is the only thing that should be made clear.

Q I noticed this morning's papers say this will displease England. Have you had any indication?

THE PRESIDENT: No, not a bit. As a matter of fact, from a practical, cold point of view, English shipbuilding yards are chockablock with work, and ours are pretty nearly chockablock with work.

Q Mr. President, on our trip down to Key West we had a Conference, as you remember, at the C.C.C. Camp on Summerfield Key, in which you indicated that there were certain developments abroad that might bring you back in a hurry, if necessary. Is there anything you can tell us now as to what those developments were?

THE PRESIDENT: No, certainly not.

Q Would you care to discuss the question of tax revision at this session of Congress?

THE PRESIDENT: Well, Senator Harrison and Congressman Jere Cooper are coming down, I think it is tomorrow or it may be Friday.

MR. EARLY: Tomorrow, sir.

THE PRESIDENT: Tomorrow, to go ahead. We have been getting, in the meantime, since they were down before, some figures that Senator Harrison said he would like to have on certain suggestions that he made. I have got the figures for him and that is about all there is to say. Of course he has not seen them yet.

Q On yesterday afternoon Senator Barkley and today Speaker Bankhead both made statements opposing any tax revision at this session of Congress. Does that reflect the Administration attitude?

THE PRESIDENT: I don't think I have taken that up at all. It is still in the study stage, the whole thing.

Q The entire corporate tax structure expires in December, including the corporate surplus taxes. Will you ask to have that reenacted?

THE PRESIDENT: The only thing I can say is this, that there are, as you know, in the corporate tax structure, there are about five different kinds of taxes. The bulk, ninety per cent of the money, comes from the percentage tax and the only discussion so far has related, as you probably know, to a consolidation of the whole thing into one form of tax. But there is general agreement on the part of everybody that no matter what the form is, as long as it is a workable form, that the total amount of taxes from corporations as a whole shall not be reduced. Now Senator Harrison, that was one of the first statements he made the other day. That, of course, is something that I do not think has been brought out. In other words, nobody in the majority party wants the total amount of dollars from corporations to be reduced. Now, how they are distributed, that, of course, is a thing that has to be studied. Now, that is terribly important. That is the one thing that there has been, not on the part of any individual, but a complete lack of understanding because everybody has hoped that they would, in some way, save taxes.

Q You say four or five taxes. You mean capital gains and all those?

THE PRESIDENT: Yes; different forms of taxes that apply to corporations.

Q Speaker Bankhead said specifically today that there had been some talk of this consolidation of taxes and that he was opposed to it because the effect of it would be to increase the taxes on small business and there would be a great howl if that were done. He said that this talk of deterrence of business because of the tax laws was a pretext.

THE PRESIDENT: Just use a little common sense and mathematics. If you repeal three or four taxes that today yield fifteen per cent of the corporate tax revenue, you have got to add fifteen per cent to the other eighty-five per cent in order to make up the same total; in other words, one hundred per cent. All right. Now, in that adding of that fifteen per cent that has been repealed to the eighty-five per cent that remains, you can do it several ways: If you do not increase the burden of the little corporations, you have got to add practically the whole burden to the big corporations.

On the other hand, if you put it on a pro rata basis, all corporations, that automatically gives a greater burden, puts a greater burden on the little corporations. Now, that is just plain mathematics. You see the point? In other words, you have got to get X number of dollars.

Q Could not that be overcome by graduation?

THE PRESIDENT: Yes, that could be overcome by graduation.

Q We were talking about consolidating those taxes into one tax. Do you favor that?

THE PRESIDENT: It is still in the study stage.

Q Those figures you have for Senator Harrison, are they based on the 1938 returns? They would be on the returns a year old and may be changed on March fifteenth?

THE PRESIDENT: Yes, that is right.

Q And there is not much chance of anything happening until you get the March fifteenth figures?

THE PRESIDENT: No, not a chance.

Q Has the gains tax been passed as to corporations?

THE PRESIDENT: That part that relates to corporations.

Q That is their own security dealings?

THE PRESIDENT: Yes.

Q And do not take that into consideration on individual income taxes?

THE PRESIDENT: No.

Q It was given officially on the floor of the Florida Senate that with a bill to tax Federal incomes there would be a move made to freeze the two per cent social security taxes on the theory that this reserve is not necessary, that a two per cent tax would be sufficient?

THE PRESIDENT: I have not heard a word about it.

Q You say that the whole discussion has related to corporate taxes, to individual income taxes or capital gains --

THE PRESIDENT: No.

Q No doubt about nuisance taxes being extended?

THE PRESIDENT: I hope not. In other words, we have to get the revenue.

Q Can some arrangement be made whereby the little corporation will bear to some extent part of the increase to pay the reduction of taxes that may come out of the repeal of the excess profits tax?

THE PRESIDENT: That is a difficult question because you can imagine few of the little corporations which in the past few years have been paying some of the taxes which have been repealed. They would be given an increase on this pro rata increase, therefore it would bear more heavily in the future than it had in the past.

Q Of course the corporation taxes were in reality increased the last session of Congress. That threw more tax burdens on the corporations and a great deal off the --

THE PRESIDENT: (interposing) How much did it amount to in dollars on all corporation taxes? Did the total increase?

Q No.

THE PRESIDENT: I am talking about the total.

Q No, the proportion.

THE PRESIDENT: Then it is not an increase?

Q It is.

THE PRESIDENT: The total on corporations did increase?

Q Yes, but the total of income was reduced. The balance shifted over.

THE PRESIDENT: I thought it remained about the same; I did not know it had increased.

Q I think so; there has been a considerable increase.

Q Would you mind repeating what you said about income taxes?

THE PRESIDENT: It is just a repetition of what I said, that we have not had any discussion on personal income taxes.

Q Senator Bridges introduced a bill in the Senate to repeal powers granted you to issue three billions in greenbacks. Since you did not ask for the authority and have not used it, do you object to its repeal?

THE PRESIDENT: I do not know why it should be repealed at this time. Sometimes it is useful to have a club in a closet. (Laughter) It has not been used; I do not think it will be used. Perhaps you could use another simile: A little spare food in the back of the cupboard so that Old Mother Hubbard would not go there and find the cupboard so bare.

Q Mr. President, in your Relief Message you again pointed out that only five per cent, so far as your studies have gone, or less than that, on your relief rolls would be chiselers --

THE PRESIDENT: (interposing) I would not use the word "chiselers." A great many are chiselers. A great many of them have found other means of support and, while they have not gone off the rolls, it does not necessarily imply dishonesty. It may imply dumbness, which is different.

Q The Senate Committee, about a year ago, taking due notice of that, made a similar study of that in five cities, among 22,000 skilled workers, and they questioned approximately 8,000 workers and found that, among those, there were sixty-three per cent in that class.

Sixty-three per cent seems a great discrepancy and I am wondering if your studies have indicated the cause of it in any way. Will you explain it to us?

THE PRESIDENT: I have a friend on relief and he has seven children, a wife and seven children. He is getting, I think it is $54. a month, and outside of his relief work which runs, I think, five days a week, he picks up odd jobs where he can and he is adding about $10. or $15. a month to what he is getting from the relief rolls. Now, that is ninety-nine per cent of the sixty-three per cent that the Senate people dug up. There is your answer.

Q Thank you.

Q Under the prevailing wage clause of that bill, which was inserted by the Senate, I believe over Mr. Hopkins' objection, it is the fact, I believe, that a good many W.P.A. workers have been reduced quite drastically in their hours because their hourly wages are high. Isn't it true that they are competing in private industry with union labor and, in a good many cases, at good wages? Isn't that a part of the sixty-three per cent?

THE PRESIDENT: You know, we have to pay the average rate in the vicinity. In the City of New York -- don't quote me because it may be different -- a carpenter gets $12. a day. The carpenter is on relief and, under the law, we have to pay him $12. a day. That is paying him a dollar and a half an hour. He gets from relief, the maximum, which is, I think, $84. a month. If you divide $12. into eighty-four that is seven times, and he can only work seven days a month. That is the law.

Now, the rest of the time he can go out and find odd jobs.

But, as soon as it is called to the attention of the W.P.A. that he is making a substantial living, or has outside jobs, he does not stay on W.P.A. Actually, in very, very few cases do you find that, in their outside time, they make anything like the $84.

Q Wouldn't that appear to be an argument on the idea of the prevailing wage law?

THE PRESIDENT: I am simply carrying out that law.

Q In your last few relief discussions, have you discussed the transient problem?

THE PRESIDENT: No.

Q Will there have to be a corporation tax (law) at this session?

THE PRESIDENT: There has to be some kind of a law passed, obviously, to renew the nuisance tax that brings in what? -- $700,000,000, I think it is -- and also to renew the percentage corporation tax which brings in, of course, the great bulk, about a billion dollars, because all those expire, the nuisance tax and the percentage tax.

Q What are the mechanics? Do you have to recommend that?

THE PRESIDENT: Oh, no. As a matter of fact, it was recommended in the Budget Message. I recommended a renewal of all expiring taxes.

Q All expiring taxes?

THE PRESIDENT: I think so.

Q Have you changed your mind about the undistributed profits tax?

THE PRESIDENT: No, because that is a readjustment, if they want to do it.

Q Mr. President, --

THE PRESIDENT: (interposing) But do not imply anything from that, Pete (Brandt) because it is still in the study stage.

Q As long as some kind of amendment goes in?

THE PRESIDENT: That is the principal consideration. Now, the advisability of rearrangement, that is still in study.

Q How about taxes to finance the parity price payments?

THE PRESIDENT: You mean the processing taxes on agriculture?

Q Not necessarily, but you suggested in your Budget Message that possibly new taxes would be needed to finance the $212,000,000. appropriated?

THE PRESIDENT: Of course, as you know, we got a promise from the Congress last year that at this session, when they passed the Agricultural Act of last year, they would have new taxes to take up that $212,000,000. -- whatever it was -- which was an out-of-pocket addition to federal expenditures begun at the last session.

Well, it has not been done and I think you are right. I think in some Message I called their attention to that fact.

Q You also called their attention to the $300,000,000. on national defense?

THE PRESIDENT: Yes but, specifically, on this particular thing I hardly considered that a new tax because it was a promise of the last session of the Congress to put it on. Well, that is being studied, too, by the Ways and Means (Committee) in the Senate.

Q Would this reciprocal tax agreement between the states and the Federal Government, would this law that is pending up there now, would that produce revenue sufficient to cover it?

THE PRESIDENT: I do not know; I have forgotten the figures on that. I do not think it would. As I remember it, that reciprocal one between the states and the Federal Government, I think it would yield to the Federal Government about $150,000,000. That is a pure guess.

Q It was estimated $155,000,000., I think, by the Treasury Department, of which $140,000,000. would come from securities and $15,000,000. from salaries.

THE PRESIDENT: Yes.

Q Would you care to comment on the situation, particularly with respect to Czechoslovakia?

THE PRESIDENT: I did, at the beginning of the Conference, speaking of the word "appeasement."

Q Have you had any discussion with people from the Hill about this oil tax and the possible effect on the reciprocal trade policy?

THE PRESIDENT: Only in a general way. The Secretary of State, before he left, took up that whole thing with Senator Harrison and we hope very much that that proposal, as first proposed, will not go through because it might be called an opening wedge for what happened in 1929 when a very innocent little tariff bill was started by the President with the help of Mr. Smoot and Mr. Hawley and it grew and grew and grew, and the logs rolled down the hill and up the hill and down again and we got that thing known as the Smoot-Hawley Tariff Act. So I do not think any of us want to start a little bit of a thing like oil for fear that other lobbies will become equally active.

Q In your study, would you say that those taxes as proposed by the Senators would have an effect upon reciprocal trade policy?

THE PRESIDENT: Yes, plus all the other ones that would follow along later.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #530-A,
Executive Offices of the White House,
March 17, 1939, 10.35 A.M.

Q Top of the morning, Mr. President.

THE PRESIDENT: What is the matter with you? There isn't a green tie (referring to St. Patrick's Day) even in the whole bunch.

Q Mine turned brown, waiting.

Q All the Sinn Feiners are in the back room. (Laughter)

THE PRESIDENT: What is the matter? Aren't Irishmen allowed in the Press Room? There is not an Irishman in the bunch. Now, there is something wrong.

Q Mr. President! (Indicating the fact that he was wearing a green tie)

THE PRESIDENT: Good boy. There is one man after me own heart. I am proud of him.

Q May I congratulate you today?

THE PRESIDENT: Yes, it is a very auspicious day.

Q Who sent the shamrocks, Mr. President? (Referring to the pot of shamrocks presented to the President by the young ladies of the office staff)

THE PRESIDENT: It is rather sweet. It is from the girls.

MR. DONALDSON: All in.

THE PRESIDENT: Well, go right ahead and shoot. Top of the morning to you. As to this entire row of people that I can see, that extends about ten feet back, there isn't an Irishman in the crowd, except one, just one, and I do not know what the trouble is. I thought the White House Correspondents' [illegible] was exclusive. Don't you admit Irishmen?

Q All from the north of Ireland, Mr. President. (Laughter)

Q What are these, shamrocks or four-leaf clover, Mr. President?

THE PRESIDENT: They are shamrocks.

If you want news, ask George Durno about the news he got last night. It is very important. He scooped you all. Ask George.

Q (Mr. Durno) It is a long story, Mr. President.

Q Anything you can tell us about your talk with Mr. Welles, whom you saw this morning?

THE PRESIDENT: No, just the usual checking up.

Q Any comment you can make on the European situation?

THE PRESIDENT: Not at this moment. I think Mr. Welles will probably have something to say at his conference at 12.30.

Q You are having the National Labor Relations Board this morning. Anything you can tell us about that?

THE PRESIDENT: They are coming in about various things, I do not know quite what yet.

Q The story is being printed this morning that the report you alluded to (at the Press Conference at the C.C.C. camp on Summerfield Key, Florida), that it might bring you back from those maneuvers, from the Caribbean Cruise, was the fact that there was being projected an invasion of France and Holland and Switzerland by Germany. Had you heard such a report before you left?

THE PRESIDENT: Before I left? Why, things like that were printed in the papers six or eight months ago.

Q Did you give serious consideration to those reports? (Laughter)

THE PRESIDENT: There were very definite reasons on the way to Key West why that statement was made and why it was literally true at the time, and that is all the news there is in it.

Q Mr. President, are you in favor of putting an appropriation for Guam Harbor development in the Rivers and Harbors Bill?

THE PRESIDENT: Yes.

Q Mr. President, would you care to comment on the statement of Chairman Douglas of the S.E.C. with respect to suggestions that were made to him by a committee of stock exchange members?

THE PRESIDENT: I think it is probably not for me (to comment). It is largely a technical question and the kind of thing that naturally is within the sphere of the S.E.C. I think what he said was made fairly clear by him.

Q Speaking of Chairman Douglas, Mr. President, have you made any decision yet on the Supreme Court Judgeship? (Laughter)

THE PRESIDENT: Oh, Fred (Mr. Storm), that is an awfully crude way of putting it. (Laughter)

Q Mr. President, do you expect a Rivers and Harbors Bill at this session of Congress?

THE PRESIDENT: Why, don't we always have one?

Q I do not know.

THE PRESIDENT: I think so.

Q Mr. President, you are conferring with the major officials in the farm program. Can you tell us what that is about?

THE PRESIDENT: Only that we are getting on perfectly well, and I think that the problem of cotton, which was the major one we talked about, it looks as if all of us have some kind of a program that would help the present serious situation in regard to this very large carryover. I cannot give any details at the present time but we are making very definite progress on it.

Q The conference is also studying the products from various other regions besides cotton?

THE PRESIDENT: Yes.

Q Can you tell us what that is?

THE PRESIDENT: That is the same general thing we are working on. There are various proposals, as you know, that have been made. One or two bills have been introduced. But, what we are trying to do is to solve the problem without bankrupting the Treasury and one reason why the Department was not very enthusiastic about the Smith Bill in the Senate was that it cost too much money.

Q Are we that near bankrupting the Treasury?

THE PRESIDENT: No. What paper do you write for? (Laughter)

Q Mr. President, can you comment on one of those proposals for an export subsidy?

THE PRESIDENT: No. I do not think that any -- we have not gone sufficiently far to put a title to any program, a connotation of a title like the word, "appeasement."

Q Can you tell us whether or not you aim at selling that cotton? Is that the definite objective?

THE PRESIDENT: Eventually, yes. In other words, we are not proposing to burn it up or dump it in the ocean and the other alternative is use.

Q Are there large possibilities for the use of that cotton as a military reserve?

THE PRESIDENT: No.

Q Mr. President, is there likely to be a Supreme Court appointment in the next few days?

THE PRESIDENT: That is so much more delicately put than the way Fred (Mr. Storm) put it.

Q I thought you would like it that way.

Q (Mr. Storm) Mr. President, I very seldom get a chance to cover the State Department and get onto that diplomatic manner. (Laughter)

Q (Mr. Wright) God bless you, Fred (Mr. Storm)! May we always be friends.

Q (Mr. Storm) Thank you, Jim.

THE PRESIDENT: If you really want any questions asked about the Supreme Court, I do not know. I hope soon, but do not try to define the word "soon."

Q When will the Administration provide a bill to make available that gold to Brazil that was provided in that agreement?

THE PRESIDENT: I do not know the status of that. I think Senator Pittman and the State Department and the Treasury Department are all three working on it. I do not know whether any bill has been drafted and I do not know what committee it would go to.

Q Mr. President, do you want a revision of the neutrality legislation this session?

THE PRESIDENT: Put the question a little bit differently: "Do we need legislation on neutrality at this session?" The answer is, "Yes."

Q What sort of legislation?

THE PRESIDENT: That we are not talking about at this time.

Q Will you recommend that? Are you going to send a special Message?

THE PRESIDENT: I doubt it. I think it can be done at conference.

Q Do you think the developments of the last few days in Europe demonstrate the need of neutrality legislation?

THE PRESIDENT: Yes.

Q Does that need, sir, go beyond the possible reenactment of the cash and carry statement?

THE PRESIDENT: Fred (Mr. Essary), read the January fourth Message to Congress. That is the best answer I can give.

Q Sir, could you say anything about recognition of the Franco Government?

THE PRESIDENT: No news on that at the present time.

Q Whether that will be affected by the latest developments?

THE PRESIDENT: That is in the realm of speculation.

Q What is the status of our relations with the Loyalist Government now, Mr. President?

THE PRESIDENT: Status? Well, the Loyalist Government still has an ambassador in Washington who is recognized as the Ambassador of the Government of Spain.

Q That being the Negri Government or that which succeeded him?

THE PRESIDENT: The Government -- whatever is left of the old Government, which still has a great many square miles under its jurisdiction.

Q We still have a representative of the Loyalist Government?

THE PRESIDENT: Oh, yes.

Q Any further comment on taxes, Mr. President?

THE PRESIDENT: No, still working on that. We will probably get some information within the next four or five days as to the March fifteenth results.

Q Did Senator Harrison give you the details of his plans on taxes?

THE PRESIDENT: No, only that he asked for certain information, as you know, and I have not actually sent it up to him yet. I have shown it to him and I just have not had the time to get it to him formally and officially and, of course, this is predicated on Senator Harrison's statement that the total amount to be received from corporate taxes should not be decreased over the present amount. Senator Harrison made that very clear.

Q Do those figures indicate anything -- those figures that you have for him? Do they indicate whether that could or could not be done, the revision without decreasing?

THE PRESIDENT: Yes. There are a good many different ways of doing it.

Q Was the Treasury asked by Senator Harrison to do that?

THE PRESIDENT: The Treasury? But not as a recommendation, simply as a statement of what might happen. We are in the purely factual stage. You see?

Q Yes. No decision on policy, though?

THE PRESIDENT: Not a bit, nor on the advisability of any method, individual methods, for the whole subject. Purely factual. It is dollars and cents stuff. If you do this, such and such a thing would happen. If you do that, such and such a thing would happen.

Q Can you tell us how soon after March fifteenth returns are in you could decide on any policy?

THE PRESIDENT: So far we have only got to the point of answering factual information, nothing else.

Q You would have to analyze the March fifteenth figures, which may take a month?

THE PRESIDENT: No, I would not say that; probably another two weeks.

Q Would the revision be confined to the corporate tax structure?

THE PRESIDENT: That is the only thing that has been discussed so far.

Q Do you think the developments in Europe might prevent the British King and Queen from coming over here?

THE PRESIDENT: That is a question I could not answer if I knew the answer.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #531,
Executive Offices of the White House,
March 21, 1939, 4.05 P.M.

THE PRESIDENT: When is Barry (Barry Bingham, of the Louisville Courier) coming up?

Q (Mr. Ulric Bell) Not very soon.

THE PRESIDENT: Tell him I want to see him.

Q We were fingerprinted out there.

THE PRESIDENT: You were? Good for you. The interest in the thing would be not to see who is fingerprinted but who refuses to be fingerprinted.

Q Ruby Black has a message for you.

THE PRESIDENT: Who has?

Q Ruby Black.

Q (Miss Ruby Black) Randall Le Beouf of the Niagara Falls Power Company asked me to give you his love. I am down covering the hearings.

THE PRESIDENT: Good; I have not seen him for a long time.

Fred (Mr. Storm) is wanted in Norway.

Q (Mr. Storm) For stealing 10,000 tins of sardines. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I call your attention to the fact that this is the first Press Conference that the new member of the Secretariat has had the courage to attend. (Referring to General Watson)

Q A rousing hurrah!

Q May I ask what his title is? Is he the Secretary-General?

THE PRESIDENT: That is right.

Q Has he a passion for anonymity?

THE PRESIDENT: Absolutely. And the president of the White House Correspondents' Association has been fingerprinted, and the interesting thing will be not who gets fingerprinted but who does not get fingerprinted.

I do not think there is any other news at all.

Q Are you going to have your fingerprints made?

THE PRESIDENT: I got mine both in Albany and down here already.

Q (Mr. Young) Thank you, Mr. President. (Laughter)

Q Mr. President, have you had an opportunity to look at the Pittman Neutrality Bill as yet?

THE PRESIDENT: No.

Q Have you seen the press reports on it?

THE PRESIDENT: Yes.

Q On the basis of those, would you care to comment?

THE PRESIDENT: Only the way I did last week. Read the January fourth Message.

Q Any new nominations in sight, sir?

THE PRESIDENT: I do not think so; they have been coming pretty thick and fast lately.

Q You gave us a pretty good judge today.

THE PRESIDENT: Right.

Q Anything new on taxes?

THE PRESIDENT: No. I have just sent up to Senator Harrison the figures he requested or, rather, I just dictated the letter and it will go up tonight.

Q Any other conferences?

THE PRESIDENT: I think they are coming back next week. I don't believe they will have enough in the way of returns until next week.

Q What do you think of the foreign situation, Mr. President? (Laughter)

THE PRESIDENT: Well, I am not happy, Fred (Mr. Essary).

Q (Mr. Essary) Will you say, sir, if there is any basis whatever for reports coming from Europe that you have suggested to certain nations of Europe a general boycott of Germany?

THE PRESIDENT: That is not so; nothing in it.

Q Could you comment on the apparent inconsistency of denouncing German exports to this country through subsidy and, at the same time, subsidizing wheat and possibly cotton exports?

THE PRESIDENT: I do not think there is any relationship between the two, otherwise the question is all right.

Q Mr. President, the income tax returns for the first twenty days of this month were thirty per cent below last year and yet they are satisfactory?

THE PRESIDENT: They are substantially above the estimate and those two things should be put together.

Q Could you comment as to why, what conclusions have been reached as to why they are substantially above the estimate?

THE PRESIDENT: No, they just are; that is all.

Q In the absence of Warren Francis, is there anything you can tell us about the transient problem in California, in regard to relief?

THE PRESIDENT: I cannot, Fred (Mr. Storm). I have a long report in my basket I have not read and when I get around to it I will have various interested people in. I have not read it yet.

Q There is a great deal of discussion about a long-range tax program;

that is, one that would be at least for five years, the idea being that some curtailment of the Government revenues would undoubtedly result from such a program in the first year or two but that over a five-year period the revenues would at least probably equal and possibly exceed those we receive today from the present structure. Would that, in your opinion, be barred as a possibility in view of your statement that no reduction in corporate taxes is contemplated?

THE PRESIDENT: Again, if you will read the Annual Message to the Congress you will find the answer.

In other words, quite simply, we have the choice of following the policy recommended in the Annual Message or of adopting the other policy which has been advanced by perfectly well-meaning people and that is by cutting down certain expenditures of the Government, which as I pointed out in that Annual Message must in order to be substantial come out of certain obvious items which can be readily cut. Relief for the unemployed, all forms of public works, social security for the aged, slum clearance and various other items which today give work in large volume -- all of those being predicated on the guess of many well-meaning people -- that thereby, taking away employment from several million workers, business will automatically pick up that entire slack plus the other large number of people who are out of work but not in any way being helped by the Government.

If there was some guarantee that this would happen, it would be well worth considering. I doubt, however, whether it would meet with popular approval if it were tried and the result were not attained.

There is the answer. It is a hot one. (Laughter) It is purely extemporaneous but I think I said a mouthful.

Q Can we quote that, too, Mr. President?

THE PRESIDENT: Yes.

Q That would include the whole statement you made?

THE PRESIDENT: Yes.

Q Mr. President, if the collections continue to run ahead of estimates, would that make any difference in your policy?

THE PRESIDENT: No. It simply means the deficit would be less. It is not a very large amount. At the present time total collections run between thirty-five and forty million dollars ahead of the estimates and that would take thirty or forty million dollars off the deficit and anything we can do to decrease that, the better it is.

Q Has anybody yet been able to show you how various corporate taxes could be revised without reducing the total revenue?

THE PRESIDENT: Oh, yes; there are various proposals. I think we talked about this the other day and the figures I am sending to Senator Harrison relate directly to that, the elimination of two or three of the very small corporate taxes -- I say relatively small -- and in place of them putting on an increase in the percentage tax, the state income tax. The difficulty is that one cannot eat one's cake and have it. If the percentage taxes are increased, you face an immediate dilemma. If you increase them on the small corporations, there will undoubtedly be protest from 153,000 corporations out of 200,000, which make less than $10,000 a year. In other words, if they have to pay more in dollars into the Treasury, it is going to work a great hardship on those small corporations that are struggling to survive, 153,000 out of 200,000. On the other hand, if you favor them and do not increase their taxes over what they are paying now, you have got to put the whole burden of taking up the additional amount of revenue needed because of the repeal of these two or three small taxes, running about two hundred and twenty or two hundred and thirty millions, you have to put that whole burden on the big corporations, principally the corporations earning over a billion (million) dollars a year and those are corporations that are making most of the requests for a change.

MR. EARLY: You meant over a million?

THE PRESIDENT: Did I say over a billion? I meant a million; that is right. It is between friends.

In other words, most of the increase would come from big corporations. But, if we do eliminate them and put on a percentage increase in the income tax, without hurting the little fellow, the whole burden of the two hundred and twenty or two hundred and thirty millions will have to be borne, ipso facto, by the big ones and I doubt very much if that will be extremely popular with these advocates of the change.

Now, you see the dilemma?

Q Will you tell us what those two or three small taxes being considered for elimination are?

THE PRESIDENT: I have not got the thing right here. One is the excess profits and the capital stock tax. They go hand in hand.

If you are a tax expert you will know why they go hand in hand. If you have one, you have to have the other.

Q What about the surplus?

THE PRESIDENT: The same thing.

Q What about the carryover?

THE PRESIDENT: The same thing.

Q When the undistributed profits tax was put in, that was to increase the velocity of money and to stimulate business?

THE PRESIDENT: That was one reason. The other was the use of the old method for -- everybody was agreed on it at the time -- for the evasion -- avoidance, excuse me -- avoidance of income taxes by a rather small group of very rich people who had a large portion of their investments in companies which they controlled. Therefore, by letting the profits ride in the corporation by not declaring a dividend, they were building up their property without any income tax on it. Everybody recognized that at the time.

Q That was the objective then. Now the objective is whether or not it will decrease the amount of money coming into the Treasury?

THE PRESIDENT: No. Of course it is rather an interesting thing. I have said it in two Press Conferences lately. The request for these figures came from Senator Harrison. You will remember, too that Senator Harrison agreed right here at his very first conference that the total amount of money to be paid by corporations, whether it be in three or four different taxes or one tax, should not be decreased, and the papers of the United States have failed to print that. Now, I am saying that as a fact. In fact, almost every paper I have read has said that that was something the President was insisting on. Now, we might just as well get it straight. I was asked that question within the first three minutes of the first Conference and Senator Harrison said, in so many words, "Of course there is no thought of decreasing the number of dollars paid in taxes by corporations." Now, that might just as well be printed. This is the third time I have stated it and it has not been printed.

Q Senator Harrison said the same thing.

THE PRESIDENT: Yes, but it has not been printed.

Q It has been printed.

THE PRESIDENT: I have emphasized it twice and it has not been emphasized in any paper or any Press Association story I have seen.

Q You probably gave us a better lead, Mr. President.

Q Were those the objectives as a first step to reenact the undistributed profits tax, whether, that having been done you are now willing to let it go --

THE PRESIDENT: (interposing) Personally, I do not think that very important objective of avoiding tax avoidance ought to be eliminated from the tax laws of the United States any more than we need go back and allow people to incorporate yachts.

Q Is it proposed to repeal this tax and substitute a flat income tax? Was that proposal made from the Hill or the Treasury?

THE PRESIDENT: Senator Harrison asked for it, that is all I know. He asked what would happen and what would be the effect of different methods of increasing the percentage of taxation and that is the thing that is going up today.

Q (Mr. Walter Trohan) On behalf of the new Secretary, Mr. President, thank you. (Laughter)

THE PRESIDENT: Is that all right, Russ (Mr. Young)?

Q (Mr. Young) Yes, sir; it is all right.

Q Mr. President, what does this mean now? Does this mean that the tax revision is out or still in the picture?

THE PRESIDENT: Oh, no. Heavens, this thing will take weeks more of study. We will be asked for more figures. It is perfectly proper, all going along very well.

Q You favor a new corporation tax this session?

THE PRESIDENT: I am not favoring anything. It is still in the study stage, furnishing figures.

CONFIDENTIAL
Press Conference #532,
Executive Offices of the White House,
March 24, 1939, 10.45 A.M.

THE PRESIDENT: Good morning. I do not know whose cold I have caught.

Q How are you coming along, sir?

THE PRESIDENT: Oh, just my whole nose is clogged up.

You know the Irish remedy for a cold is to sit with your nose over a peat fire. It is the greatest thing in the world.

Q Did you ever try it?

THE PRESIDENT: I never did try it.

Q That is the reason you are here today, Mr. President. (Laughter)

THE PRESIDENT: Probably. (Laughter)

Q We have a lot of questions today.

THE PRESIDENT: Everything is very quiet.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any particular news today. I hope we will have a quiet week end.

Q Mr. President, is the name of Dr. Hutchins, of Chicago, under consideration by you for the S.E.C. vacancy?

THE PRESIDENT: I have done nothing, one way or the other.

Q Do you agree with Marriner Eccles that the great majority of the people would like to have the budget balanced at once?

THE PRESIDENT: Pete (Mr. Brandt), I have only read the headlines and I have not read what he said.

Q He said the great majority wanted --

THE PRESIDENT: (interposing) I would have to see what he said, Pete (Mr. Brandt).

Q Mr. President, have you heard what Secretary Morgenthau said about a limited old age fund?

THE PRESIDENT: No, I have not. Did that come up yesterday?

Q Yes, sir; has been released.

THE PRESIDENT: I have not read it.

Q Do you think that a limited fund is advisable?

THE PRESIDENT: What do you mean?

Q He proposes several alternative methods of taxation and suggests that some method be devised to assure that the funds obtained will be earmarked for old age security.

THE PRESIDENT: I do not know what he said but I take it you are referring to what we have all been working on for the last three years, which was to eliminate what, under the existing law, has been very properly criticized and that is the unlimited reserve. Now, of course, it has not been true that we would build up, as has been printed a great many times, a forty billion dollar reserve and things like that because, even under the present law, after a comparatively short period of years -- I have forgotten what the date is -- the outgo of funds would be at least equal to the income from payments. But, even at that, the present law does give the possibility of building up a reserve that, from the point of view of insurance methods, would be too large, so we have been trying to arrive at some figure of reserves that would be sound from the actuarial point of view. That is a definite objective. I cannot give you any details because that is a thing that is being talked about. The general thought is that there should be actual reserves to take care of payments, assuming that there were no contributions -- old age payments over a period of somewhere from three to five years, and that that would probably be sufficient.

Q Might it be feasible to reduce the rate of taxation so as to prevent that?

THE PRESIDENT: That goes into the other question: How fast do you want to build them up? The main thing, we do believe, is that you ought to have reserves sufficient to last for from three to five years. As far as we can tell, that is sound from the business point of view.

Q Has any figure been fixed?

THE PRESIDENT: No.

Q I mean, what would be necessary from three to five years?

THE PRESIDENT: Various figures have been fixed. I cannot remember them offhand. I can give you one figure: the average in thought is somewhere around two and a half to three billion dollars.

Q A year, or over the whole --

THE PRESIDENT: (interposing) No, for the reserve, but that is just recollection on my part. You had better check.

Q That is just a protection reserve?

THE PRESIDENT: Yes.

Q Has any thought been given to a change in the tax basis, that is, the payroll tax?

THE PRESIDENT: The payroll tax? Of course you can work out almost six or eight different plans on that, again depending on how fast you want to build up the reserves.

Q Is it too early to say that you may ask Congress, before it adjourns, to cut the increase that will take effect next year in the tax?

THE PRESIDENT: That is what the Congress is studying now. That is what all these hearings are about.

Q Anything on the cotton situation?

THE PRESIDENT: I have not heard a word about it for a week.

Q Do you think you will go down the river over the week end?

THE PRESIDENT: No. I will stay right here and then go to Warm Springs next Wednesday night, subject to postponement or cancellation.

Q You were asked if that was just a protection reserve, that two and a half or three billion dollars?

THE PRESIDENT: Every reserve is a protection reserve.

Q Yes, but I wanted to know whether that was only a part of the reserve, just for emergency?

THE PRESIDENT: No, that would be the total reserve.

Q When you were meeting with Ed Flynn yesterday, did you discuss pardons for certain state and mortgage title officials in New York?

THE PRESIDENT: That was not discussed at all.

CONFIDENTIAL
Press Conference #533,
Executive Offices of the White House,
March 28, 1939, 4.15 P.M.

THE PRESIDENT: I have got a lot of stuff for you today. About fifteen minutes ago I was going to say I hadn't anything. It has all just turned up and most of it is complex.

Q That is swell.

THE PRESIDENT: You like complex stuff?

Q I write shorthand; I do not care how complex it is.

THE PRESIDENT: Things that lend themselves naturally to a good smashing lead.

Q There isn't much headline stuff in that.

THE PRESIDENT: Somebody asked the other day about the problem of the interstate migration into California and I told you that I had got a report on it. I am sending the letter from Harrington (Colonel Harrington) and the complete report to Representative A. J. Elliott, Chairman of the California delegation on interstate migration and its effect on California, and you can get the whole thing from him.

I will try to summarize the letter: There were eight federal agencies under the chairmanship of Mr. Harrington, who discussed this problem of interstate migration into California. It was W.P.A., Farm Security, U. S. Housing, Social Security Board, Surplus Commodities Corporation, Public Health Service, the Office of Education and the U. S. Employment Service. They made a unanimous report.

I can divide it into two parts: The first part calls attention to the fact that this is not only a California problem but that interstate migration is a national problem and, as such, for permanent legislation or relief, has got to be considered from the national point of view and not just one corner of the country. (Reading)

> " . . . . . . no Federal Agency or group of Agencies can effectively deal with the broad problem in its entirety under present powers and limitations. If anything is to be done, special legislation would have to be enacted by the Congress, providing for nation-wide planning."

He then suggests that such legislation might take the form of authorizing action along three lines: (A) The resettlement of migrants who are now in California and other states and who can become self-supporting in those areas to which they have gone. Secondly, the return of those migrants who are willing to resume residence in the state of their origin and giving assistance to them to establish them back where they came from. The third is the resettlement of other migrants in areas where employment suited to their abilities is most likely to be found.

The committee states that they believe the decision as to whether such legislation should be enacted rests with the Congress.

Now, you come down to the second part, which relates to what we can do now through existing federal agencies without any change in the law, except in the case of three of them additional funds would be needed. They point out that the U. S. Employment Service can disseminate information on employment to prevent the further flooding of California with more migrants. Secondly, the Federal Surplus Commodities Corporation, working with the Farm Security people and the California State Relief Administration, can give a wider distribution of available surpluses for the benefit of needy migrants who are now in the state. And, third, the Farm Security Administration can continue to provide camp facilities and small homes for rural migrants. Those, however, would require additional funds and authority to extend their activities.

Fourth, the Public Health Service can extend its control of disease and treatment of the farm migrants. This will take more money. And, finally, the U. S. Housing Authority can cooperate with the local housing authorities in building more low-rent dwelling units, but here again a further authorization of funds is necessary.

Finally, they say that all these present activities, if they are to be enlarged, ought to be tied in so as to prevent duplication, overlapping, et cetera, with some existing central agency, and they suggest that that central agency to tie in the federal agencies should be the California State Relief Administration.

Anybody further interested can get further details from Congressman Elliott. Thank you very much.

Q Has it gone?

THE PRESIDENT: It will go.

Q Anything on the cotton export situation?

THE PRESIDENT: Yes. That is No. 2. You took the words out of my mouth.

In order to clarify the picture up on the Hill and with the public in regard to the cotton problem, I wrote out, with the aid of several people, the following statement so that it would be more clear than if I merely talked it extemporaneously, and Steve (Mr. Early) will have copies for you as you go out.

I do not believe that I can add very much to it because I believe it covers practically all the points that are coverable at this time. (Reading)

> "The cotton situation requires prompt and effective action. Loan stocks total more than 11 million bales and if our exports continue at their present rate, our shipments of cotton abroad for the year ending August 1, 1939, will be the lowest in more than fifty years. And unless we build a spillway out of the loan we are likely to add several million more bales from the 1939 crop to the mass overhanging the market. Carrying charges alone on the cotton already in the loan approximate $45,000,000 annually.
>
> "The present status of the cotton industry goes back in large part to the almost 19 million bales of cotton we grew in 1937. This record crop followed the invalidation by the Supreme Court of the control provisions of the original Agricultural Adjustment Act."

That, I think, in fairness should be emphasized because it is a matter of just plain historical fact.

> "Since that time another law enabling an effective control program has been enacted --"

But, if you remember, that law missed the next year's crop because it was passed so late that nearly all the cotton was in the ground.

> "-- but several years of adjustment will be necessary to bring our supplies to normal.
>
> "So great is the cotton surplus that the current loan of 8.3 cents a pound--a loan only a little more than half of parity--has proved a price pegging loan. Foreign cotton is underselling our cotton in world markets and is likely to continue to do so until we restore American cotton to its normal competitive position.
>
> "This might be done by abandonment of the loan if we did not take the welfare of the growers into account."

In other words, if we took off all control, we would have to adopt the policy of quite a number of editorial desks, let them grow all they can and let the farmer get what he can for it, even if it is only 4½¢ a pound. However, I am thinking of the southern cotton grower and I know that he will go broke worse than he is today, which is bad enough, on 4½¢ cotton, no matter how much he raises.

Q Have you abandoned the loans you have, or the loan policy?

THE PRESIDENT: Abandoned the loan policy? (Reading)

> ". . abandonment of the loan for this year means a sharp drop in the already pitifully meager income of producers. The continuance of protection for the growers necessitates the continuance of the loan for 1939 and with that continuance, action to prevent the loan from doing more harm than good.
>
> "A cotton program at this time should include the following objectives:
>
> "(1) The merchandising in an orderly fashion of our excess supplies of cotton;"

Now, those excess supplies -- this is not in this statement -- they amount roughly to about 8,000,000 bales because the total carryover today is 13,000,000 and, as I was saying to several people this morning, of course one way to do it would be to put it into the Mississippi and tow it out, and tow it well out into the deeper water and let it sink. Now, that would leave us with what might be called a normal carryover of 5,000,000 bales. That would be all right. Or we could take it and burn it up, have a big bonfire, and that would be all right.

So, necessarily, the problem comes down -- because we cannot do either of those two things -- to getting these 8,000,000 bales in some way out of the United States. That is the simplest way of doing it. If we can do that we will have a normal carryover of 5,000,000 bales and, through the control processes, provided we do not get any more laws knocked out by the Supreme Court, we hope to carry on through the years, growing enough cotton that the market, domestic and foreign, will take up and consume. Now, that is the objective. (Reading)

> "(2) The maintenance of our fair share of the world market for cotton;"

which, of course, is way below the average of the last ten or twenty years. (Reading)

> "(3) The protection of producer income;"

That is to prevent the cotton farmer dropping down to 4½¢ a pound, which was about what it was before we got here.

> "(4) The accomplishment of our aims with the least possible cost to the Treasury."

There have been a great many plans proposed, some of them running as high as $400,000,000. a year out of the Treasury over and above the soil erosion payments.

> "Various proposals are pending which aim at the retention and expansion of our foreign markets for cotton and the reduction of loan stocks. Of them, I believe the best plan is an export program for cotton, a program which would include a payment on all cotton exported during the life of the plan.
>
> "The details of such a plan remain to be worked out but it probably would include:
>
> "(1) A payment of $1.25 per bale to producers who release their loan cotton to the market."

That is a device that was very successfully used about two or three years ago and the loan cotton was at that time released by a payment of, I think, that same amount.

"(2) A moderate payment on all cotton exported after the plan goes into operation.

"Such a plan would protect mill inventories by fixing a rate at which cotton could be released from the loan. I believe there is ample authority under existing legislation to establish import quotas which would protect both the domestic producers of raw cotton and probably domestic manufacturers as well from foreign importations. A payment could be made on exports of manufactured goods so the program would not put them at a disadvantage in the world markets.

"Frankly, I wish it were possible immediately to expand domestic uses of cotton to the point where our own people would absorb the surplus. That time has not yet arrived and pending its arrival our farmers and consumers too will be injured unless we protect our foreign markets.

"The plan does not contemplate payments on exports in excess of our average exports over a representative period in the past."

Now, that is a very important factor in this general suggestion.

"What we are proposing is to restore the normal competitive position of American cotton and our normal share in the world market.

"An export plan for cotton should cost a good deal less than proposals to pay the growers to keep their cotton out of the loan. The export program calls only for payments on cotton sold abroad; the other plan calls for payments on all the crop. And the export proposal promises to be more effective in retaining and expanding our foreign markets.

"As you know, an export program has been in effect for wheat for several months. This program was adopted to retain our share of the world wheat market. I believe the majority of wheat producers will agree the plan is one of the reasons why wheat prices in this country are more than twenty cents higher, as compared with the normal relationship, than Liverpool prices. The rejection of an export plan for cotton is certain to raise doubts as to the advisability of its continuance for wheat.

"I want to emphasize that the proposal for a cotton export program is in no sense a repudiation of the reciprocal trade programs. If the spirit

> behind these trade programs had prevailed in the postwar era it would not be necessary now to take steps to protect our export markets. The reciprocal trade programs are an effort to restore order out of the chaos prevailing in international trade. They should be pressed vigorously.
>
> ("I believe the export plan, if put on a sound and workable basis, will not only help the cotton farmers, but will help the entire industry. As I see it, this plan would not do away with the long established system for handling cotton but would eventually reduce surpluses and restore trade so that this system could be put on a firmer basis."

I think that covers it all right and I do not know, I do not think I can summarize any more closely than that.

Q I did not quite understand the $1.25 a bale to producers who had held on to their cotton?

THE PRESIDENT: It would release their cotton to the market.

Q Did I understand you to say that there would be quotas on imports of cotton and textiles into the United States?

THE PRESIDENT: Practically. In other words, we could work out under the present law, through the U. S. Tariff Commission, a method that would prevent this export cotton from coming back into the country and, at the same time, prevent goods manufactured from this export cotton from coming in here and underselling American manufactured goods.

Q Not by increasing the tariff rates?

THE PRESIDENT: One or the other, but probably quotas will do it.

Q Won't that violate the terms of the British Trade Agreement?

THE PRESIDENT: No; that could be worked out.

Q You figure this plan could be put in without additional legislation?

THE PRESIDENT: No. I think this plan takes the enactment of a very,

very simple law. I think it can be done, from what I am told, on one page.

Talking about the cost, some of the plans, as I say, have gone up $450,000,000. over and above soil conservation payments. This plan would cost, on cotton, probably about $15,000,000. between now and the first of August and, for the following year, somewhere between $60,000,000. and $90,000,000., which is a very definite saving to the Treasury over any of the other plans suggested.

Q Would there be an amendment to the tariff law?

THE PRESIDENT: No.

Q You would not call this a plan to dump cotton, would you?

THE PRESIDENT: No, for this very simple reason, that it merely puts American cotton into the world markets on a basis no higher than what it has been over any previous period.

Q Does that mean selling to the world market at the world price?

THE PRESIDENT: Yes.

Q Not below the world price?

THE PRESIDENT: No, because whatever the world price is, that thing seeks its level from day to day.

Q As I understand it, does it throw eight cents worth of cotton into five cents?

THE PRESIDENT: No. It is a thing that will be done by negotiation and there are various voids in the world market which may be filled up, we believe, without destroying the world price.

Q There is no intention, then, of selling at any point below world prices?

THE PRESIDENT: A great part will be taken up by negotiation to fill voids and not to reduce the world price.

Q Any figures on the number of bales likely to be moved between now and August?

THE PRESIDENT: No.

Q Did you indicate what the law would provide?

THE PRESIDENT: What?

Q The legislation which would comprise about one page?

THE PRESIDENT: I had better not tell you because I am afraid I might make a mistake, but it does relate to specific authority for the Surplus Commodity Credit Corporation and, I think, an appropriation of $15,000,000.

Q This would be independent legislation, sir?

THE PRESIDENT: No.

Q Not an amendment?

THE PRESIDENT: Yes, it is an amendment to an existing law.

Q Would that apply only to cotton?

THE PRESIDENT: Well, we are only talking about cotton today. Let us confine ourselves.

Q What do you consider a representative period of past years upon which to fix the amount of exports?

THE PRESIDENT: The Congress decides that itself. I do not care. Let them make it five or ten or fifteen or twenty. It works out about the same.

Q Does this involve barter?

THE PRESIDENT: No, it does not.

Q Can you give us some idea of what the moderate payment on cotton exports might be?

THE PRESIDENT: No, I do not want to rig the market.

Q Are you going to send up a special Message on this, recommending this particular course?

THE PRESIDENT: No, I do not think so; I think this will be sufficient.

Q Are you planning to ask Congress again to pass taxes to raise the $250,000,000. that they are just about to vote --

THE PRESIDENT: (interposing) I made that quite clear the other day, I think; they got it through the press.

Q Can you tell us anything about your talk with the Spanish Ambassador?

THE PRESIDENT: We talked about the problem of Spanish refugees.

Q Any help you can give us on that?

THE PRESIDENT: No; just an awful lot of them.

Q Mr. President, in regard to this migratory labor, transient relief report: Are you merely going to send that up to Elliott (Representative Elliott, of California) and then wait for Congress to take the initiative?

THE PRESIDENT: I suppose the next step will be that some of them will be down here.

Q I thought there might be supplementary steps by them?

THE PRESIDENT: No; I would like to talk it over because it is a big problem.

Of course, one of the problems, in addition to this question of migratory families and individuals who have been drifting into certain centers, is the problem also of a migratory population that runs as high as three or four hundred thousand people who are not in any way to be compared with people who go to California but who just drive around from place to place in automobiles. They have no home; they have no domicile and, therefore, no community is in any way responsible for them. They get stranded some place and just get pushed on into the next county.

Some day, the people of this country are going to do something about that. There has been a good deal of talk about some method of requiring every person in the United States to have his or her roots down somewhere -- some community that they belong to and that belongs to them. It is still in the stage of very preliminary study but I think, before we die, that there will be something along that line. People ought to have a home somewhere.

Q Anything in the call of the British Ambassador?

THE PRESIDENT: No.

Q Anything on the King and Queen?

THE PRESIDENT: Personal matters.

Q Can you comment on the Supreme Court decision yesterday on the taxation of salaries?

THE PRESIDENT: I was delighted to see it and somebody will ask me the question, so I will anticipate it: Can I find the $5,000.? The answer is that if the Justices of the Supreme Court from New York are liable to pay on their state income tax returns, I will too.

Q Are you in a position, sir, to comment --

THE PRESIDENT: (interposing) To pay? No, I am not. (Laughter)

Q -- to comment on any aspects of that decision in relation to the taxing of Government securities?

THE PRESIDENT: Well, it is -- I will put it this way, that it is a very definite step towards carrying out that recommendation that

I made. From the point of view of dollars and cents it is only about one-fifth of the way so I hope that we will go the other four-fifths of the way.

Q No bill has been introduced in Congress to tax -- to permit reciprocal taxation of income on securities. Are you going to do anything about that?

THE PRESIDENT: I made the recommendation.

Q Twice.

THE PRESIDENT: And talked about it a good many other times too.

Q I will ask you a small question: What are you going to do with the Cosgrove portrait of Lincoln, now that you have the Healy portrait?

THE PRESIDENT: I do not think I can. In other words, before a decision is made I will have to ask the Fine Arts Commission to come down to the White House and ask if what I want to do is O.K. with them. What I want to do is take the old portrait, which is very, very large and hides the paneling on the north side of the dining room -- it is not a good portrait -- I want to take that and put it below in the general Diplomatic reception room, where there are large portraits of similar nature, and take the new portrait, which I measured the other day, and put it over the mantelpiece in the dining room, which is a very good place for it. I may do it without asking the Fine Arts Commission or I may send for them and hope that they will approve.

Q Do you favor the establishment by Congress of a Niagara River Authority?

THE PRESIDENT: I have not taken it up at all. I only read the headlines.

Q Can you tell us what you discussed with Ed Birmingham, the Democratic State Chairman in Iowa?

THE PRESIDENT: Oh, just passed the time of day. He was here.

Q In authorizing the 45,000-ton battleships, did you have in mind the refusal of the Japanese last year to reply to our request with respect to their intentions?

THE PRESIDENT: It was one of a number of reasons.

Q Can you tell us what the others were?

THE PRESIDENT: No.

Q What is the status of the Southern Illinois hospital fight now?

THE PRESIDENT: Oh, I guess it is in my lap. It is somewhere down at the bottom of the basket; I have not reached it yet.

Q Any idea of how long it will take to get to it?

THE PRESIDENT: No; I do not believe I can do it before I leave.

Q Can you tell us what reports you are getting from the peace negotiations between the A.F. of L. and the C.I.O.?

THE PRESIDENT: We are getting them all right.

Q Do you have any opinion on whether or not these hearings on the Wagner Act may have some effect on the negotiations? The C.I.O. representatives seem to think they will hamper and the A.F. of L. seem to think that they will help.

THE PRESIDENT: I do not know; I never thought of it.

MR. EARLY: They do not begin until April eleventh.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #534,
In front of Veeder Cottage, Warm Springs, Georgia,
March 31, 1939, 11.30 A.M.

THE PRESIDENT: Well, you have never been down here before. How do you like it?

Q Fine.

THE PRESIDENT: Well, do you feel better?

Q All of them in the hay by twelve o'clock, Mr. President.

THE PRESIDENT: That is going some. After being up twenty-six hours, that is pretty good.

Q Out of the hay at 8.30. We get fined if we don't. (Laughter)

THE PRESIDENT: I was sorry to make you work yesterday.

Q We did not mind.

THE PRESIDENT: I did not have anything prepared. You went back to the old days and had to write your own stories.

Q It is a good thing, once in a while.

THE PRESIDENT: I never made so many speeches in such a short time in my life.

Q It carried us back to the old campaign days.

Q That is right. We would not get that many platform appearances.

THE PRESIDENT: I still do not know what I said.

Q You said a mouthful at Auburn.

THE PRESIDENT: The only mistake I caught was that I did not say anything about a milk and cream train for here; that part of the story related to the Florida milk train for Florida.

Q That is the way it came up, about a milk train.

THE PRESIDENT: The A.P. story that I read in the Atlanta Constitution said I could not buy milk and cream made in Warm Springs.

Q Was that in there? (Laughter)

THE PRESIDENT: I guess they edited you; it is all right. You could get all the milk and cream you want down here. It was not certified.

Q From Georgia?

THE PRESIDENT: Oh, right around here. But it was not what you would call from inspected dairies.

Q It would last twelve hours?

Q From contented cows?

THE PRESIDENT: That is right. (Laughter)

Q Mr. President, have you seen the papers this morning that Great Britain has indicated willingness to fight if Hitler moves in against Poland?

THE PRESIDENT: Yes and I have been in touch with the State Department and Europe and probably will continue to be in touch with the State Department and Europe two or three more times today.

Q Whom were you in touch with in Europe, Mr. President?

THE PRESIDENT: That I cannot tell you.

Q By telephone?

THE PRESIDENT: Yes.

Q We can fix that up. (Laughter)

THE PRESIDENT: You will. (Laughter)

Q Mr. President, what is the move over there which is threatening Poland at the moment?

THE PRESIDENT: Well, look, suppose I give you a background story without attribution. Does anybody understand what that means? In other words, do not bring me into it.

Q Yes.

THE PRESIDENT: What is concerning Europe and all the rest of the world, not just Europe but all the rest of the world, meaning the Near East and the Far East and Africa and the Americas, is that the hope that the world had last September that the German policy was limited and would continue to be limited to bringing contiguous German people into the Reich and only German people, without bringing other races under the Reich, that those hopes have been dissipated by the events of the last few weeks. In other words, that they have brought into the Reich a great many million Slavs, that in addition to that they have brought under the domination of the Reich a great many million Hungarians, and that they have brought in part under the economic domination of the Reich a good many million Roumanians, none of which squares with the announced intention of Hitler up to and through the events of last autumn.

Therefore, it is felt by people in every continent that where there was a limit last autumn, there is no limit today. It makes a very different picture. And, there being no apparent limit today, this new policy may logically be carried out on an increasing scale in any part of the world.

From our point of view such a policy could, in the absence of any check to it, -- that is spelled "ch" and not "Cz" -- means German domination, not only in all the small nations of Europe, but might extend very possibly to other continents.

We also know from the newspapers that there has been -- that there have been many stories of the fear of Switzerland, of the fears of Holland and Dutch Colonies, of the fear of the Baltic States, Finland, Esthonia, Latvia, of the fears of the Yugoslavs, and the fear, which you read about in the papers also, of people in Asia Minor, Turkey and Persia, for example. In other words, a general fear of an effort to attain world dominance, and make subject to them a great many other nations and races. That is what is giving the world concern today.

Now, on the current situation, it seems to have been made clear by England and France today that they have decided there must be a halt to the continuation of a policy seeking to dominate other nations and peoples and, therefore, by their action, it has been put squarely up to Germany that if there should be war it would come only by an invasion of some other nation by Germany; that there will be no war if there is no such invasion.

Thereby, the world is being put on notice as to where the responsibility will lie if there is war.

Now, don't put (quote?) this. It is just words of one syllable stuff. I think it covers it pretty well and that is all that can be said.

Q I was wondering at the beginning whether you said that brought these millions of Slavs, I wonder whether you meant the Czechs?

THE PRESIDENT: They were originally Slavs. Call them Czechs and Slavs, that is the easiest way.

Q You heard of the Japanese action, Mr. President?

THE PRESIDENT: What was that?

Q In connection with those operations --

Q (Mr. Oliver, interposing) I have a message here, Mr. President, that you may want to read (handing a telegram to the President, which telegram announced that the Japanese had assumed control over the Spratley Islands).

THE PRESIDENT: Well, I cannot comment on it because I have not been told about it.

I was very glad to see that the Senate Committee yesterday turned down the increase in the tariff duty on oils and fats by a vote of -- I have forgotten what it was but it was a substantial vote. Steve (Mr. Early) sent it in. It was thirteen to six or twelve to seven.

Q From where, the Philippines? They have been interested in this subject.

THE PRESIDENT: No, this is from all over.

Q Mr. President, on the foreign thing, has there been any decision about Franco yet?

THE PRESIDENT: No.

Q Norway, Sweden and Denmark, I think, recognized Franco today.

THE PRESIDENT: Did they?

Q Mr. President, your statement in connection with the Senate action, is it because of the reciprocal trade policy?

THE PRESIDENT: Yes. In other words, the simplest way of putting it is that the amount of oils and fats that are coming in today is a very, very small percentage of our total use of oils and fats. But it does give those countries which send them to us the exchange by which they can buy American products and have been doing so in increasing volume.

Q Mr. President, we got a pond in front of our house for those fish. Mr. Murphy suggests that we might send you a fishing license?

THE PRESIDENT: It is not a bad idea. I will tick (telegraph) up to the White House to get my rod. I will need my big rod with the heavy reel. (Laughter)

Q You had better get Watson's elastic measure, too.

THE PRESIDENT: I will.

Q Any callers coming down in the next few days you want us to know about?

THE PRESIDENT: No callers, not a single appointment ahead yet, except tomorrow's party. What time is that, Bill (Mr. Hassett)?

MR. HASSETT: Three o'clock.

Q You mean the dedication of the buildings?

THE PRESIDENT: Yes.

Q Do you expect to act on the reorganization bill?

THE PRESIDENT: Yes, I think so, that and the defense bill. I will have to do some studying on them.

It is suggested that we save the dedication (of the Warm Springs schoolhouse and hospital) for morning release.

Q That suits us.

Q It is a very hot story, but we will do it, Mr. President. (Laughter)

Q Are you going to take Harry (Mr. Hopkins, who was riding alongside of the President) down in the pool with you?

THE PRESIDENT: Yes, I am going to make him take a bath. He has not had one for two months.

Q Are you going to give him that medicine ball treatment? (Referring to the game of water polo in the pool which the President had on previous occasions played with some Cabinet Members, particularly Mr. Farley, and which he had turned into a pretty strenuous game)

THE PRESIDENT: Yes.

Q Have you been discussing anything with the Secretary of Commerce, Mr. President?

THE PRESIDENT: Yes. Last night we discussed the relative merits of bridge and poker. We came to no conclusion.

Q Anything said about the ponies?

THE PRESIDENT: About what?

Q Ponies?

THE PRESIDENT: No. Remind me to tell you a story about the ponies.

MR. HOPKINS: I will, don't worry.

Q In Senator Barkley's program, which he outlined yesterday, there is no mention of tax legislation except on the Social Security tax?

THE PRESIDENT: Was it an exclusive statement? Did he outlaw things he had not mentioned?

Q In the story I saw he did not.

THE PRESIDENT: Then I would not assume anything.

Q On this Social Security thing, you recommended elimination of this one per cent increase?

THE PRESIDENT: That is one of the four plans.

Q Anything --

THE PRESIDENT: (interposing) Yes if you want to call it "must" legislation: You heard my statement the other day. There isn't any "must" legislation but we submitted, I think, it was four plans.

Q Secretary Hassett made his bid for the Gold Coast last night. He is working his way up gradually. He brought a dinner jacket. (Laughter)

THE PRESIDENT: Well, we might put him into it. How many trips before he gets the thirty-third degree?

Q It will take a long time. He has got to get rid of that accent.

THE PRESIDENT: You get as far as the Shrine this time.

Q You go there Sunday, I think.

Q Have you any plans, side trips or anything like that?

THE PRESIDENT: Yes. I wanted to ask you whether you want to go to Pine Mountain?

Q Next Thanksgiving. (Laughter)

Q We do not want to go.

Q We are not going there, are we?

THE PRESIDENT: Sure. I will tell you what you can say if you want and that is that, of course, in view of the European situation, our stay here is subject to change without notice. I guess you are torn as to whether you want to go to Washington without going to Pine Mountain or stay here and go to Pine Mountain?

Q If necessary, we will go to Pine Mountain.

Q In connection with this foreign situation, anything you can tell us with respect to the direct interest of the United States in it?

THE PRESIDENT: No. I should think you would see, from what I said --

Q (interposing) I did not think --

THE PRESIDENT: (interposing) You can draw your own conclusions as to the interest of the United States.

Q Exactly.

THE PRESIDENT: I think things look very nice. Do you like the cottage?

Q Yes, sir; very well.

THE PRESIDENT: You aren't all in this? Where is the other?

Q The E. T. Curtis (cottage).

THE PRESIDENT: That is the one that burns up?

Q No, that was the Joseph cottage.

THE PRESIDENT: But there was a fire here in the Curtis cottage. Keith Morgan's (cottage) almost burned up.

Q Yes, that is the one.

Q Thank you, Mr. President.

THE PRESIDENT: I am going down to get a swim so you can really put that in.

Q Did they agree on a name for the new school?

THE PRESIDENT: No, not yet.

CONFIDENTIAL
Press Conference #535,
In front of the new Medical Building, Warm Springs, Georgia,
April 1, 1939, 3.45 P.M.

THE PRESIDENT: You people haven't had anything new today, have you?

Q No, sir.

THE PRESIDENT: Neither have I. I have not had a thing today except the U.P. and the A.P. reports.

Q Of the Hitler speech?

THE PRESIDENT: Yes. I have not had anything else.

Q How do you regard it?

THE PRESIDENT: I do not know; I cannot tell. Just like that Mussolini speech about a week ago Sunday. The first report was entirely different from what it was afterwards. Just picking out the high spots.

Q Did you talk to anybody in Europe since the speech?

THE PRESIDENT: No. No, I have only talked to Washington today.

Q Has the situation eased up any in your opinion?

THE PRESIDENT: I do not know. I cannot hazard a guess. I suppose now, it being fairly late in the afternoon, I won't talk to the other side at all because it is getting pretty late over there. I guess they are digesting it.

Q Very funny the way it faded off the air.

THE PRESIDENT: Yes.

Q They cut off all telephone communication with London, too.

THE PRESIDENT: Telephones too.

Q Shut completely off for about an hour.

THE PRESIDENT: What do you suppose is the idea?

(There was no answer to the President's question.)

Q Great country.

THE PRESIDENT: Doc (Mr. O'Connor) thinks they did not want to interfere with the speech --

MR. BASIL O'CONNOR: (interposing) My speech. (Laughter)

THE PRESIDENT: His speech, I mean. (Laughter)

Q We will tell them he is through now. (Laughter)

Q I will report you to Dean Young (Mr. Russell Young). (Laughter)

Q Have you been in touch with Washington today, Mr. President?

THE PRESIDENT: Oh, yes; twice.

Q You have not signed any bills?

THE PRESIDENT: No; have not had time. Nothing today.

Q What are your plans for tomorrow?

THE PRESIDENT: I have not thought of it. I will do nothing, if I can. Tonight is a good night to have a party because there won't be anything tomorrow.

Q No Pine Mountain?

THE PRESIDENT: No.

Q One of those regular nights.

THE PRESIDENT: Deacon (Mr. Coleman Jones), how are they behaving, all right?

Q (Mr. Jones) As far as I can see, but I do not see very clearly; not after dark anyway. (Laughter)

THE PRESIDENT: Yes.

Well, I suppose we had better toddle along.

CONFIDENTIAL
Press Conference #536,
In front of Veeder Cottage, Warm Springs, Georgia,
April 4, 1939, 11.30 A.M.

(The President was seated in his automobile.)

Q Good morning, Mr. President.

THE PRESIDENT: Good morning. I don't know how you will be able to get your angles. (Speaking to the photographers who were endeavoring to take pictures, both stills and movies, of the President's Press Conference)

Q Johnnie (referring to John Thompson) has no trouble.

THE PRESIDENT: Bill (Mr. Hassett), have you that memorandum I dictated last night? This is one of those things we have to do occasionally. The background of it is that Congress and the leaders are trying to get away from riders, that is to say, from legislation that has no connection with the main subject of the bill. This is just for background but because the leaders, I think in both parties, are trying to stop the practice of non-riders, I am calling attention to one which is the first instance this session, all in the good cause of trying to stop it. Bill (Mr. Hassett) has got this thing for you, which you can use -- what do you think Bill? -- as a statement. (Reading)

> "In signing the Bill for emergency National Defense in relation to the Air Service and the purchase of a large number of additional planes --"

That was the subject of the bill. In other words, it relates to additional personnel and more planes -- what was it, 350,000,000? --

> "-- it is necessary to call attention to a so-called rider which was added to the Bill but which has no relation whatsoever to the title or the purpose of

the Bill.

> "This rider gives the same retirement and pension privileges to Reserve Officers and enlisted men who may become disabled while on temporary thirty day duty as is accorded to regular Officers and men of the Army. In other words, any civilian, under certain circumstances, would get the same disability retirement privileges as those whose whole time is in the Government service.

That has no relationship to aviation at all.

> "This question is, of course, open to full and adequate study, but it seems a pity that without this study this clause, which will cost the Government a large sum of money, --"

I did not put in the total but I think, just as a guess, it will cost five or six million dollars a year in a few years.

> "-- has been tacked on to an emergency defense measure to which it has no relationship whatsoever."

Well, of course I went ahead and signed the bill but I could not very well veto the bill just for that one clause.

Q We will get that statement, will we?

THE PRESIDENT: Yes. And it is made in full cooperation with the leaders.

Q What do you hear on the foreign situation?

THE PRESIDENT: Practically nothing, Fred (Mr. Storm), that you haven't already got in the papers. In other words, there is no news at this end.

Q Did you see the stories that appeared in this morning's paper that Germany was not going to wait for Great Britain to throw the so-called ring of steel about that and that some swift action on the part of Hitler was looked for over there?

THE PRESIDENT: I cannot comment on it.

Q Any comment, sir, on --

THE PRESIDENT: (interposing) In other words, frankly, off the record, it may have been the same kind of a story coming out of Germany as I gave you here the other day. "Sources close to the President," you know, you can work it both ways, therefore I cannot comment.

Q What reaction did you get to the story?

THE PRESIDENT: Very good. Oh, yes, that was put on the cables right away. You need not worry about that.

Q Mr. President, having signed the Reorganization Bill, have you given any thought to the appointment of those six Executive Assistants?

THE PRESIDENT: No, or to the thought of what to do about any plans of reorganization. I am frightfully sorry to have to saw off the limb that one or two got yourselves out onto.

Q Which particular limb; there were so many? (Laughter)

THE PRESIDENT: There are a good many of them. Yours is one of the worst, John (Mr. O'Brien), oh, boy!

Q We did not say when it was going to happen.

THE PRESIDENT: "Working hard." As a matter of fact, I have not done any work whatsoever since I have been down here except the foreign thing. I have not discussed the domestic or international situation with anybody. It is just unfortunate. Neither had Corcoran and Hopkins had a previous row, John (Mr. O'Brien). But do not say it was a fib; just say it was a sheer invention. I don't know how you get out of it. How do you?

Q (Mr. Storm) Just forget about it.

THE PRESIDENT: Neither did Tom (Mr. Corcoran) arrive surreptitiously or keep himself aloof, and it is a fact that within two hours of his arrival we had him down to a cocktail party at which some of you were present. No, do not use the old bean; the weather is too nice. Just write news.

Q I had a wire this morning saying that the contract subcommittee, representing the Appalachian soft coal operators and the United Mine Workers, reported a deadlock, leaving it to the full conference to decide whether agreement was possible. Have you been in touch with that situation?

THE PRESIDENT: No. Is the Mediation Service at work on that?

Q I do not know. But you are not?

THE PRESIDENT: No, it is a negotiated agreement.

Q (Mr. Walter Trohan) We are having an election in Chicago. Will you send your congratulations to Mr. Kelly now? The polls have not closed but you might just as well do it.

THE PRESIDENT: I can tell you a very nice story on that. I might later on give you the story.

Q Will you send one tonight?

THE PRESIDENT: I do not know; the election has not been held.

Q (Mr. Trohan) It is all in the bag, by a half a million at least.

Q (Mr. Storm) Mr. President, to get back to the foreign situation, do you share the view expressed both here and in this country that there will be a war this summer?

THE PRESIDENT: Really, Fred (Mr. Storm), what a question. What have you been doing, playing the market?

Q No, sir; I have got a few shares of stock but it won't make much difference.

THE PRESIDENT: Are you short or long?

Q I own it outright, sir.

Q I believe Barry Bingham (of the Louisville Courier-Journal) is coming down here today. Any particular reason?

THE PRESIDENT: No.

Q Have you anyone coming down that will make any news?

THE PRESIDENT: No.

Q We are short of news. (Laughter)

Q We will even take "Sources close to the White House" for a real good one.

THE PRESIDENT: I'd write a sensational story, if I were in your place.

Q On what?

THE PRESIDENT: I would start it off and say, "This is strictly a news story. We are in Warm Springs and are supposed to write news. During the past few days there was no news so we invented some --"

Q (interposing) We wrote that anyway.

THE PRESIDENT: "-- today there is no news and that is news."

Q I can just see the recalls pouring in.

THE PRESIDENT: On the contrary, you would make yourselves famous and get in the Hall of Fame.

Q Yes, and never get back to Warm Springs.

Q Did you study Mr. Frank Gannett's suggestion last Saturday?

THE PRESIDENT: What has he been doing?

Q He suggested to a Young Republican gathering that you submit a resignation.

THE PRESIDENT: To whom, to put him in my place?

Q That is his idea, remotely.

THE PRESIDENT: Is he the man that announced his candidacy for the

Presidency in London?

Q Yes, sir; he is Beaverbrook's candidate.

Q I happen to come from the same town he does. I know he could not carry his own election district.

THE PRESIDENT: Good. Put that in a story.

Q Tell us, off the record.

THE PRESIDENT: All right. Put it this way: that a good friend of Beaverbrook's candidate comes from the same town he does and says that he could not carry even his own election district. They will never pin that on you. It is all right.

Q George Durno says that you should put in parentheses, "fired from one of his papers." (Laughter)

THE PRESIDENT: I do not think there is any news.

Q Can you tell us anything about economy and efficiency under your Reorganization Bill?

THE PRESIDENT: All I did was to read it and sign it.

Q Did you notice that the Senate Committee held tight to $100,000,000. for emergency relief?

THE PRESIDENT: Today?

Q Yesterday; that is, the subcommittee.

THE PRESIDENT: They did not make a report to the full committee?

Q They had a vote.

THE PRESIDENT: Not a final vote.

Q They deferred. They are going to have another meeting before they make a report to the full committee.

THE PRESIDENT: I do not know what is up in the Senate. Have they something on the calendar?

Q How about the Smith Bill?

THE PRESIDENT: It comes up after the present, the immediate bill. It won't come up until this thing of today is settled, and then Smith and then relief. Isn't that it?

Q I don't know.

THE PRESIDENT: Is there a meeting of the full committee today?

Q Yes, I think so.

THE PRESIDENT: Of course, on that relief bill it is simply a question of figures, that is all. I do not mean dollars, I mean people.

Q How many, Mr. President, will have to be dropped from the rolls if you do not get the full $150,000,000?

THE PRESIDENT: If they hold it to $100,000,000., it will be one-third of the number estimated if they did not give us any.

Q A third of a million?

THE PRESIDENT: About. It ran more than that by June. Four hundred thousand by the end of June.

Q It would be 400,000 by the end of June?

THE PRESIDENT: Yes. Isn't that right?

Q One hundred thousand a month -- 100,000 next week. (There was a pause while the correspondents were taking notes.)

Q Going out to the farm?

THE PRESIDENT: I have been there.

Q What is going on out there?

THE PRESIDENT: The cattle are still eating.

Q They do not put cotton in until later?

THE PRESIDENT: No, the cotton is going in now. Some cotton starts going in at the end of February in northern Florida and south

Georgia.

Q That just takes cold weather to kill it; it does not need the frost?

THE PRESIDENT: Cotton is not affected very much by frost.

Q Why does it go in this late? Weather and rain?

THE PRESIDENT: Rain, et cetera. Things do not start growing until it gets warm enough.

Q Is the possum preserve (referring to the Marvin Hunter McIntyre Possum Preserve) in good shape?

THE PRESIDENT: It looks fine.

Q Is Mac (Mr. McIntyre) paying taxes?

THE PRESIDENT: And the Hopkins contribution (referring to the outhouse) is all right. It does need painting.

Q We were thinking of sending Mac (Mr. McIntyre) a tax bill.

THE PRESIDENT: We ought to do that. Go up to Greenville and get a tax form. Ask Culpepper for one.

Q What do you think we should charge?

Q The limit.

THE PRESIDENT: You ought to put the land in at $10. an acre. I should say the house is worth $600. or $800. Hopkins' house is worth $100.

Q That's a two-holer. (Laughter)

THE PRESIDENT: All right; three hundred. That will run it up to about a thousand dollars. I think he ought to pay on that.

Q I think he should too.

THE PRESIDENT: Yes, he might contribute to the mess.

I do not think there is anything else. I haven't got a thing.

Q You are planning to leave Sunday?

THE PRESIDENT: Sunday afternoon about 2.30.

MR. HASSETT: Between 2.30 and 3.00 and get in --

THE PRESIDENT: (interposing) And get in about 11.00, and from there go to the White House and say "How de do" and throw out the first egg.

Q By that time they will be ankle deep in egg yolks.

THE PRESIDENT: Mrs. Roosevelt won't be there this year and I have got to do it.

Q There is a big golf tournament on.

THE PRESIDENT: There is a fellow named Belair (Mr. Felix Belair of the New York Times) who, I understand, because of the handicap is almost certain to win. (It was explained to the President that Mr. Belair had voluntarily reduced his handicap to one more consistent with his previous scoring.)

Q Felix has been taking lessons from way back. He makes 71 and turns in 120. (Laughter)

THE PRESIDENT: Yes, these scores that are turned in are a bit funny, including Ross McIntire's.

Q He claims a 19 handicap.

DR. McINTIRE: No, I have 16.

Q That is too high.

DR. McINTIRE: They gave it to me.

Q He is trying to get Captain Dan Callaghan as a partner.

Q They cut Felix down to 15.

THE PRESIDENT: What handicap did you get Carleton (Mr. Carleton Smith of N.B.C.)?

Q (Mr. Smith) 19.

THE PRESIDENT: You have got a chance?

Q (Mr. Smith) I don't know; I will tell you later.

Q Is the Secretary-General (Mr. Watson) coming down? He is threatening me with an action.

THE PRESIDENT: I liked the telegram from Russell Young and Earl Godwin.

Q (Mr. Trohan) I sent one to the General saying that you had ordered the Secret Service to investigate a flood of Brigadier General commissions. He came back and said, "I want to sue you but first I want to know if you are a man of any property." (Laughter)

CONFIDENTIAL
Press Conference #537,
In front of Veeder Cottage, Warm Springs, Georgia,
April 8, 1939, 11.45 A.M.

THE PRESIDENT: I hear you want a picture of the General? (Speaking to the photographers who desired to take a picture of the President with General Watson)

Q We will take that after the Conference.

THE PRESIDENT: Do you think he will look all right then?

Q Yes, I have got him out of the wind here.

THE PRESIDENT: Do you think he can survive that long? There is an awful strain on him.

Q I know, but he is bearing up under it nobly.

THE PRESIDENT: All right.

I have been talking all over the place this morning about the international thing and there is a statement being issued, I suppose about this moment, by the Secretary of State, which we talked over this morning and which is being given out by him with my full approval in relation to Albania. I won't tell you anything more about it because it speaks for itself.

Q Mr. President, have you been informed as to the latest news from there? I had a message a little while ago that the Italians marched into Tirana --

THE PRESIDENT: (interposing) The capital?

Q Yes. (Reading)

> " . . . After futile resistance by tribesmen. King Zog had fled and was believed on his way to Greece, where Queen Geraldine and 3-day-old heir already had taken refuge. Count Galeazzo Ciano, Mussolini's son in law, to Tirana today by plane.

> "Chamberlain returning tonight from Castle Forbes, Aberdeenshire, Scotland, to confer with Ministers on the Albanian situation."

THE PRESIDENT: That is what I got over the telephone.

Q Mr. President, did you talk to Europe by telephone?

THE PRESIDENT: Oh, yes.

Q Mr. President, there is a report in Washington that you have expressed opposition in a letter to Marvin Jones (Congressman Marvin Jones, of Texas) against the Ellender Sugar Bill. Anything you can tell us about that?

THE PRESIDENT: I cannot, Fred (Mr. Storm), because I have forgotten. Maybe I did and maybe I didn't. I would have to check. Anyway, I am opposed to it.

Q (Mr. Storm) That is all I want to know.

Q (Mr. Oliver) What does that Bill do, briefly, do you remember?

THE PRESIDENT: Well, it gives special considerations to cane sugar and, at the same time, will very seriously affect not only American citizens in Puerto Rico and the Virgin Islands and Hawaii, but also a very large population in Cuba, in other words, destroying their economy in our territories, our island possessions and Cuba, in order to help an infinitely smaller number of people in Louisiana and Florida. Apparently some people forget that Puerto Ricans and Hawaiians are American citizens and even the little Virgin Islanders, they are American citizens. It amounts to several million people.

Q Any important appointments about to be made?

THE PRESIDENT: I have not got one.

Q On this question of cotton surplus, has the problem been approached from the standpoint that cotton is stockings and shirts and that the problem of getting rid of the surplus might be solved by distributing such cotton goods (A) to families on relief and (B) to needy school children, just as, out of the general tax funds, we give them free lunches?

THE PRESIDENT: Yes.

Q Is that being studied from that standpoint?

THE PRESIDENT: Oh, yes. It is a perfectly possible thing. It is largely a question of bales of cotton. We have to get rid of 8,000,000 bales and, of course, it costs an awful lot of money, in the first place, and it would provide an awful lot of stockings and shirts.

Q That is true.

THE PRESIDENT: It is a thing that probably could be done and use up half a million bales a year. The difficulty is in using up two million bales a year. It is a physical problem, both from the use of cotton and also from the use of children.

Q Have you made any further move in the relief controversy?

THE PRESIDENT: No, not a thing.

Q This is a hardy perennial, this question, but again, is there any study being made as to the desirability of giving military training to the boys of the C.C.C. camps in the light of our expanding military --

THE PRESIDENT: (interposing) I do not think so. I have not heard anybody propose it in the last month. In fact, the tendency in the C.C.C. camps, in view especially of the rider to the Emergency Defense Bill that I signed the other day, will be to replace a good many of those reserve officers with civilians.

Q Mr. President, is there anything you can tell us about the visit of Dr. Hutchins?

THE PRESIDENT: Oh, you naughty little boys. I think the only thing I can say is this, that down here I have to be in a position of host and any good host tries to protect his visitors and when his visitors are annoyed by naughty little boys in the neighborhood, and have either mud thrown at them or nasty little fibs, there is an immediate obligation on the host, who has to protect his visitors. One of the simple ways of protecting his visitors is not to let the neighborhood gang know that the visitors are there.

Q Do you mean "gang"?

THE PRESIDENT: The neighborhood gang. That is different, not gangsters -- just neighborhood gang. I belonged to it when I was your age.

Q That would imply that we are still sophomores. (Laughter)

THE PRESIDENT: Deacon (Coleman Jones), isn't that rather nice? You and I are old fellows, we understand.

Q (Mr. Jones) Well, I don't know about that; I am nearly fifty-seven.

THE PRESIDENT: Yes, you and Bill and I, we understand; it is all right.

Q (Mr. Storm) Mr. President, can you tell us whom you talked to this morning abroad?

THE PRESIDENT: No; abroad, Europe.

Q Getting back to Mr. Hutchins, will he take a place on the S.E.C.?

THE PRESIDENT: We only had a social visit.

Q Mr. President, can you give us any idea as to what this Albania business means, as to what they are driving to? It does not seem to be very valuable territory.

THE PRESIDENT: I cannot talk about Albania directly because that is covered in a State Department statement by the Secretary of State. But, if you want another story like last week, "sources close to the White House" on one phase that you have not touched yet, I think it would be all right to talk about it.

This is what might be called the second phase of military aggression. One of the results of successful military aggression by any nation or group of nations is the control of commerce, not only within their own territory but in other territories -- other independent nations -- which they can threaten because of their military power. For example, if military domination were to keep on expanding, the influence of that military aggression would be felt in world trade all over the world, for the very simple reason that the aggressor nations would extend their barter system. The nations of the world that pay better wages and work shorter hours are immediately faced, because of the barter system of the aggressor nations, with a loss of world trade. That is obvious because the aggressor nations can and do work their people much longer hours and for much lower pay.

Therefore, the nations that do not belong to the aggressor group are faced with three alternatives: The first is to build the old Chinese Wall around themselves and to do no world trade whatsoever, no exports, no imports, to try to live wholly within themselves. The result of the Chinese Wall method is to reduce, necessarily, the national income because they immediately are unable to export any of their surplus goods. But, assuming that they do not adopt the Chinese Wall policy of having no trade, no shipping, you come down to the two other alternatives: The first is to lower their own standard of living and try to compete in the world markets by reducing the wages they pay and increasing the hours of work. That would be the alternative for us if we did not go to the Chinese Wall method. The other alternative would be to subsidize the export of American products as a national policy. Immediately you do that, it means that the subsidy has to be paid out of the Federal Treasury and, while it would begin on half a dozen products that had strong Congressional backing, it would get into the logrolling end of things and we would have to subsidize practically all of our products. That would mean a vast sum of money spent on subsidies and either that would add to the national debt or we would have to pay for it out of the taxpayers' pockets by increasing the whole of the tax system from top to bottom.

That is one reason why all of this, the continued expansion of military aggression, is necessarily bringing us every single day that it continues closer to the time when we will be faced with a loss of our trade and our shipping and have to make the choice of one of those three methods.

That is an angle of the present international situation that ought to be given a lot of consideration because it affects, of course, not only industries and industrial workers in the United States, large businesses, small businesses, but it also affects the farmers and all of the agricultural end of the country.

Now, that is words of one syllable, but I think you get the idea. It is a phase of this thing, the international picture, that ought to be stressed.

There is a swell story for you.

Q Would you care to mention, Mr. President, for the same kind of treatment, what you were telling us going down on the train to Florida about constant disappearance of borderlines of independent nations and how that brings closer to every democracy the threat of aggression nearer its --

THE PRESIDENT: (interposing) Of course that is a part of current history, the continuing disappearances of the independence of small nations and, of course, you can go back to the famous Senatorial conference. What was said was, of course, perfectly obvious, that the continued political, economic and social independence of every small nation in the world does have an effect on our national safety and prosperity. Each one that disappears weakens our national safety and prosperity. That is all there was to the Senatorial conference.

Q This is still White House sources?

THE PRESIDENT: Yes.

Q I think we ought to be able to write something on that.

THE PRESIDENT: You are doing all right.

Q Are you going down to the pool?

THE PRESIDENT: Yes.

MR. STORM: Thank you, sir.

CONFIDENTIAL
Press Conference #538,
Executive Offices of the White House,
April 11, 1939, 4.00 P.M.

Q Hello, Mr. President.

THE PRESIDENT: Well, you do not know what you missed down at Warm Springs. We had a good time. Right?

Q Yes, sir.

THE PRESIDENT: A darn good time. Harold Oliver was a fellow with a lot of luck to get into the finals (referring to the golf tournament).

Q George Fox did it (referring to the fact that George Fox had won the golf tournament).

THE PRESIDENT: Yes.

Q He has a good set of nerves.

THE PRESIDENT: I have heard of winning things on the nineteenth hole but never on the twentieth. (Laughter)

I do not believe I have a thing today.

Q (Mr. Young) You have a big gate today.

THE PRESIDENT: A big gate. They will ask all kinds of questions and get no answers.

MR. EARLY: It is free. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I have got no news that is fit to print.

Q Mr. President, when the legislative leaders left the House this morning, they indicated that you would tell us something about their conference with you?

THE PRESIDENT: That was just so as to avoid telling you themselves.

There is no news.

Q Do you have any appointments in sight, Mr. President?

THE PRESIDENT: I do not think so.

Q Has Federal Judge Thomas of Connecticut submitted his resignation?

THE PRESIDENT: I do not think I have had any resignations. You will have to ask the Justice Department.

Q Has it been discussed with you, sir?

THE PRESIDENT: Who?

Q Federal Judge Thomas of Connecticut?

THE PRESIDENT: I do not think I have had any resignations.

Q The State Department said yesterday that if you approved, they would begin negotiations with some foreign countries for bartering wheat and cotton for tin and rubber. Do you approve?

THE PRESIDENT: Oh, that was the statement that Senator Byrnes got out?

Q Yes, sir.

THE PRESIDENT: That has general approval as something that is a very interesting thing to develop. I hope it will go through. It is only in the very preliminary stage.

Q It is reported that you have taken an active interest in the Kansas City investigation?

THE PRESIDENT: Pete (Mr. Brandt), I do not know a thing about it except what I read in the papers, not a thing.

Q Have they been in touch with you, any of those people out there?

THE PRESIDENT: Not for a long time. Somebody asked if the Treasury was interested and I referred them to the Treasury.

Q Have you discussed it with Governor Stark (of Missouri)?

THE PRESIDENT: He mentioned it one time and he was referred to the

Treasury and the Department of Justice. You cannot get a story out of that; I am sorry.

Q Have you decided how much relief money you are going to ask for the next fiscal year?

THE PRESIDENT: I am not going to say anything about it until we take care of things up to the first of July.

Q Have you anything to say at Senator Lewis' funeral tomorrow?

THE PRESIDENT: Oh, no.

Q Could you elaborate any further on the bartering suggestion?

THE PRESIDENT: On what?

Q On Senator Byrnes' bartering suggestion?

THE PRESIDENT: Oh, no. I think it speaks for itself. You all know as much as I do about it.

Q The Senator said he expected the State Department would work up these negotiations within a few days. Is that your impression of the situation?

THE PRESIDENT: I think that is so but, frankly, I only get that from the newspapers and I do not know.

Q Does this replace the suggestion you made for selling the Government-held cotton abroad?

THE PRESIDENT: It does not replace, no; it is supplementary. In other words, the more you can get rid of by exchange for needed war materials, the less you have to do by some other method. You still have X number of bales to get rid of.

Q Does this replace the purchase of strategic war materials as provided in the Senate Bill appropriating forty millions?

THE PRESIDENT: It supplements it.

Q Would this Government be willing to enter a deal with Germany, Japan and Italy on the same basis?

THE PRESIDENT: I have not the faintest idea.

Q Mr. President, has the Treasury given you a report of income tax collections so that you can make a statement as to what they show?

THE PRESIDENT: Not yet.

Q Will that be done soon?

THE PRESIDENT: I have only been back since yesterday morning and haven't thought about it yet.

Q Will you make public the correspondence between yourself and Mr. Amlie concerning his withdrawal?

THE PRESIDENT: I suppose so, as soon as I read the letter.

Q Have you a report on express highways submitted to you?

THE PRESIDENT: No. There was a tentative -- it was not a final report -- from Public Roads and I think the final report is now being prepared.

Q Will that tentative report be made public?

THE PRESIDENT: No.

Q Mr. President, have you got anything to say about the foreign situation?

THE PRESIDENT: What?

Q About the European situation, sir?

THE PRESIDENT: No.

Q Nothing at all?

THE PRESIDENT: No news here.

Q Did you talk to Europe today?

THE PRESIDENT: No. You might read the Post (Washington Post) editorial.

It is very good.

Q Did you inspire it, sir?

THE PRESIDENT: No, I had nothing to do with it. I almost fell out of bed when I read it, but it is very good, very clear and very honest.

(Turning to the stenographer) Henry Kannee, will you take out the Post editorial and put it into the minutes of this Press Conference so that posterity will know what I am talking about.

(The Post editorial is copied in full below:)

"THE COLLECTIVE PRONOUN"

"'I'll be back in the fall, if we don't have a war.'

"These words, spoken by President Roosevelt to the group assembled at Warm Springs to see him off for Washington, were seemingly wholly unpremeditated. Actually it is proper to surmise that serious consideration preceded their utterance. None knows better than the President that his office makes his most casual public observation subject to interpretation as a matter of national policy. And no President was ever more skillful than Mr. Roosevelt in making the most of every opportunity to give a positive direction to public thinking on important issues.

"Most Americans realize today that the sweep of events has now brought Europe to the very verge of war. What is insufficiently realized is the tremendous implications of the impending catastrophe for every citizen of this country. In spite of the best-informed warnings to the contrary many still believe that another world war might leave the United States relatively undisturbed. In spite of the virtual certainty of American involvement there are many who would seek to achieve isolation by panicky legislation, or to seek shelter behind other paper guarantees of immunity.

"To those who would protect themselves by closing their eyes the President addressed his warning. Spoken to a little group in Georgia, it is equally applicable to Americans everywhere. 'If we don't have a war,' Mr. Roosevelt will revisit Warm Springs at Thanksgiving. But all personal plans, all future projects, are subordinate to that 'if.' The same, in one degree or another, holds true for all of us.

"There is speculation as to what the President meant by 'we.' Did he mean if the United States is itself engaged in hostilities, or merely if a major conflict is raging overseas? Those who have followed Mr. Roosevelt's thoughtful speeches on the conditions necessary for peace will understand his choice of a pronoun. By 'we' he undoubtedly meant western civilization. A war affecting its foundations would immediately affect us vitally, whether or not the United States was at the outset physically involved.

"But there was a greater value than its stimulus to national thinking in the President's passing remark on Easter afternoon. Until it has actually started another world war is not inevitable. It can still be averted if the free nations are willing to show that they will take a stand before it is too late.

"Pressure from the Berlin-Rome axis will not ease until it reaches the point of serious resistance. Then only can a different and honestly conciliatory attitude be expected from the dictators. Nothing less than the show of preponderant force will stop them, for force is the only language which they understand. But, like less exalted bullies, force is to them a real deterrent.

"In using the collective 'we' the President told Hitler and Mussolini, far more impressively than he told Warm Springs, that the tremendous force of the United States must be a factor in their current thinking. He told the axis powers that the Administration is far from indifferent to their plottings. He made it plain that a war forced by them would from the outset involve the destinies of a nation which, as they fully realize, is potentially far stronger than Germany and Italy united.

"To make that plain at this crucial time is to help in preventing war. To make the dictators realize that there is a limit to unresisted aggression is in itself to set that limit. It is on that incontrovertible reasoning that the French have stiffened their policy. It is on that reasoning that the British are laying down the deadline. It is on that reasoning, through the application of which peace can still be saved, that President Roosevelt properly links the United States with the eleventh-hour effort to avert the shattering disaster."

Q Are these notes going to be printed for posterity?

THE PRESIDENT: Some of them have been already.

Q How about the rest of them?

THE PRESIDENT: Oh, we may, yes.

Q Have you read Mr. Amlie's letter yet?

THE PRESIDENT: Yes, but I have not had time to dictate a reply. I am going to as soon as I have time. You will get it.

Q Anything on S.E.C.?

THE PRESIDENT: No.

Q Thank you, Mr. President.

VERY CONFIDENTIAL
Press Conference #539,
Executive Offices of the White House,
April 15, 1939, 10.38 A.M.

(Note: The Secretary of State, Under Secretary Welles and Senator Key Pittman were present. The Press Conference was called on short notice and the attendance was small -- about 25.)

THE PRESIDENT: Good morning.

Q Good morning, Mr. President.

THE PRESIDENT: Quite a few people missing today.

Q Quite a few; yes, sir.

Q We really have correspondents here today.

THE PRESIDENT: Yes, the real correspondents this time. My Lord, is this all there are? They don't know what they are missing.

The cause for this -- what I am going to read to you -- is because for the second or third time I feel that we in this country should leave no stone unturned to prevent war and, having made this decision, the State Department, the Secretary of State and I, I think last night we both slept with a clearer conscience than we had had before.

In other words, in doing this, we are doing what we can to save humanity against war.

We sent off at nine o'clock last night the following two dispatches: The first is directly from me to Chancellor Hitler. The other is from the Secretary of State -- approximately the same message -- to Premier Mussolini. You understand the reason for that, that he is the Premier and Chancellor Hitler is the head of the State.

The messages are identical except for the transposition of the word, in one or two places, of "Italy" for "Germany."

Now I thought, as I went over it, that there are one or two little background things I could give you as I read it. It is very, very short, but let me interpolate as I go through it. This (interpolation) is not for quote or attribution -- it is background for you.

"THE WHITE HOUSE

April 14, 1939

"HIS EXCELLENCY
ADOLF HITLER,
CHANCELOR OF THE GERMAN REICH,
BERLIN (GERMANY)

"You realize I am sure that throughout the world hundreds of millions of human beings are living today in constant fear of a new war or even a series of wars.

"The existence of this fear -- and the possibility of such a conflict -- is of definite concern to the people of the United States for whom I speak, as it must also be to the peoples of the other nations of the entire Western Hemisphere."

You will note that I did not assume to speak for them. I said, "as it must also be for them."

"All of them know that any major war, even if it were to be confined to other continents, must bear heavily on them"

I did not say "all the people of the Western Hemisphere."

"heavily on them during its continuance and also for generations to come.

"Because of the fact that after the acute tension in which the world has been living during the past few weeks there would seem to be at least a momentary relaxation -- because no troops are at this moment on the march -- this may be an opportune moment for me to send you this message."

Well, in other words -- this is on the background end of it -- it has always been a problem for us in this country, if we try to do something by way of a message or an appeal for the averting of war, to do it at such time as there would be the greatest prospect of success. And there is, of course, less prospect of success in making any appeal when troops are actually on the march or have actually invaded another country.

I think we can remember at that point that in the last two instances of the ending of independence of two nations, they occurred -- both incidents -- occurred so fast and with such little warning that there would not have been time for us to make an appeal. That was true in the case of the invasion of Czechoslovakia and also the invasion of Albania. The thing was a fait accompli before you could get a cable over to the other side and, therefore, this seems to be an appropriate time to make this appeal because there are, at the present moment, no troops that are marching to the invasion of or have invaded some neighboring state. It is, let us say, a moment of peace.

> "On a previous occasion I have addressed you in behalf of the settlement of political, economic, and social problems by peaceful methods and without resort to arms."

That was the time of Munich, last fall.

> "But the tide of events seems to have reverted to the threat of arms. If such threats continue, it seems inevitable that much of the world must become involved in common ruin. All the world, victor nations, vanquished nations, and neutral nations will suffer."

If I were writing a story I would stress the word "neutral" -- "neutral nations" in recognition of the fact that there would be, undoubtedly, a great many neutral nations but that they would suffer also.

> "I refuse to believe that the world is, of necessity, such a prisoner of destiny. On the contrary, it is clear that the leaders of great nations have it in their power to liberate their peoples from the disaster that impends. It is equally clear that in their own minds and in their own hearts the peoples themselves desire that their fears be ended."

I think that applies to peoples in every nation of the world, literally without exception.

> "It is, however, unfortunately necessary to take cognizance of recent facts.
>
> "Three nations in Europe and one in Africa have seen their independent existence terminated. A vast territory in another independent nation of the Far East has been occupied by a neighboring state. Reports, which we trust are not true, insist that further acts of aggression are contemplated against still other independent nations. Plainly the world is moving toward the moment when this situation must end in catastrophe unless a more rational way of guiding events is found."

And, in connection with that, just for background, I think some of you will remember on the way down to Key West, I said that it might be possible that I would have to curtail my cruise and come back here. A good many people laughed at me for saying that. Of course it wasn't alarmist -- it was just straight, plain fact. It was not necessary for me to do that (to return) but, of course, after that Czechoslovakia ceased to exist and, when a thing like that happens, nobody can tell how far the fire will spread.

There is a good deal that has come out in the press about the danger of things on the other side and of course those published stories are implemented for us by the confidential information we receive from our own people on the other side. I think we recognize not only from what you read but also add to that what we know from Government sources, that it is a pretty dangerous, pretty anxious moment in Europe.

> "You have repeatedly asserted that you and the German people have no desire for war. If this is true there need be no war.
>
> "Nothing can persuade the peoples of the earth that any governing power has any right or need to inflict the consequences of war on its own or any other people save in the cause of self-evident home defense."

I used the words "home defense" because nobody can get around that. That means "home defense" and does not mean defense thousands and thousands of miles away.

> "In making this statement we as Americans speak not through selfishness or fear or weakness. If we speak now it is with the voice of strength and with friendship for mankind. It is still clear to me that international problems can be solved at the council table.
>
> "It is therefore no answer to the plea for peaceful discussion for one side to plead that unless they receive assurances beforehand that the verdict will be theirs, they will not lay aside their arms. In conference rooms, as in courts, it is necessary that both sides enter upon the discussion in good faith, assuming that substantial justice will accrue to both; and it is customary and necessary that they leave their arms outside the room where they confer."

I would like to have used the American expression but they would not have understood it -- "Park your guns outside." However, this is a diplomatic way of saying the same thing.

> "I am convinced that the cause of world peace would be greatly advanced if the nations of the world were to obtain a frank statement relating to the present and future policy of governments.
>
> "Because the United States, as one of the nations of the Western Hemisphere, is not involved

> in the immediate controversies which have arisen in Europe, I trust that you may be willing to make such a statement of policy to me as the head of a nation far removed from Europe in order that I, acting only with the responsibility and obligation of a friendly intermediary, may communicate such declaration to other nations now apprehensive as to the course which the policy of your Government may take."

I want to make one thing perfectly clear. You know English as well as I do. I said here, "acting only with the responsibility and obligation of a friendly intermediary". I mean "intermediary" and not "mediator." Now, they are entirely different words. You see the point? Of course there will be a danger -- this is of course off the record -- some of our friends on the Hill and some newspaper owners will try to make it appear that I will mediate. There is nothing in it at all. I am the post office, the telegraph office -- in other words, the method of communication. That is what I mean by "intermediary."

> "Are you willing to give assurance --"

Here is the question:

> "Are you willing to give assurance that your armed forces will not attack or invade the territory or possessions of the following independent nations:"

Now we come right down to brass tacks and name them.

> "Finland, Estonia, Latvia, Lithuania, Sweden, Norway, Denmark, The Netherlands, Belgium, Great Britain and Ireland, France, Portugal, Spain, Switzerland, Liechtenstein, Luxemburg, Poland, Hungary, Rumania, Yugoslavia, Russia, Bulgaria, Greece, Turkey, Iraq, the Arabias, Syria, Palestine, Egypt and Iran."

Now you have got them all. No dodging; there is the whole works.

> "Such an assurance clearly must apply not only to the present day but also to a future sufficiently long to give every opportunity to work

> by peaceful methods for a more permanent peace. I therefore suggest that you construe the word QUOTE future UNQUOTE to apply to a minimum period of assured non-agression--ten years at the least--a quarter of a century, if we dare look that far ahead.
>
> "If such assurance is given by your Government, I will immediately transmit it to the governments of the nations I have named"

Then there is that whole list on the other side.

> "and I will simultaneously inquire whether, as I am reasonably sure, each of the nations enumerated above will in turn give like assurance for transmission to you.
>
> "Reciprocal assurances such as I have outlined will bring to the world an immediate measure of relief.
>
> "I propose that if it is given, two essential problems shall promptly be discussed in the resulting peaceful surroundings, and in those discussions the Government of the United States will gladly take part."

Now, be careful! Be careful! I said "two essential problems" in which we would take part in the discussion.

> "The discussions which I have in mind relate to the most effective and immediate manner through which the peoples of the world can obtain progressive relief from the crushing burden of armament which is each day bringing them more closely to the brink of economic disaster."

There is, of course, nothing new in our taking part in that because we have been doing it for a long, long time.

The other is the next sentence:

> "Simultaneously the Government of the United States would be prepared to take part in discussions looking towards the most practical manner of opening up avenues of international trade to the end that every nation of the earth may be enabled to buy and sell on equal terms in the world market as well as to possess assurance of obtaining the materials and products of peaceful economic life."

Of course there is nothing new in that because, as you know, we have at all times been ready to confer and have done a great deal of conferring on the economic side of international problems. So in that there is nothing, absolutely nothing, new that we have not been doing right along. Now you come to the third thing:

> "At the same time --"

This is after those reciprocal assurances have been given.

> "At the same time, those governments other than the United States which are directly interested could undertake such political discussions as they may consider necessary or desirable."

Well, of course all of you who cover the State Department know what that means. "Political discussions" relates to boundaries and territories and so forth and so on. We do not, of course, enter into that type of discussion. We have not done it since Paris and there is no prospect of our doing it.

Then, finally, just four short sentences:

> "We recognize complex world problems which affect all humanity but we know that study and discussion of them must be held in an atmosphere of peace."

Same old thing -- "Park your guns outside."

> "Such an atmosphere of peace cannot exist if negotiations are overshadowed by the threat of force or by the fear of war.
>
> "I think you will not misunderstand the spirit of frankness in which I send you this message. Heads of great governments in this hour are literally responsible for the fate of humanity in the coming years. They cannot fail to hear the prayers of their peoples to be protected from the foreseeable chaos of war. History will hold them accountable for the lives and the happiness of all--even unto the least.
>
> "I hope that your answer will make it possible

for humanity to lose fear and regain security for many years to come.

"A similar message is being addressed to the Chief of the Italian Government.

FRANKLIN D. ROOSEVELT"

Well, I think that covers it.

Q When was this message sent?

THE PRESIDENT: 9.00 o'clock last night.

Q They got it today?

THE PRESIDENT: That was three o'clock in the morning in Berlin and Rome that it was received over there.

Q May I ask whether the Pan American Union or, through other channels, the Latin American governments were advised that this action was being taken?

THE PRESIDENT: Nobody was advised. They were informed by cable during the night through our ministers and ambassadors down there and undoubtedly they are receiving this just about this moment. And in the same way, our embassies and legations in Europe were advised of it by cable last night.

Q There has been no consultation on this matter among the Latin American --

THE PRESIDENT: (interposing) Absolutely not. Great Britain, France or any other nation in the world was not consulted in any way and did not know anything about it.

MR. STORM: Thank you, sir.

THE PRESIDENT: You got a mouthful; better run.

CONFIDENTIAL
Press Conference #540,
Executive Offices of the White House,
April 18, 1939, 4.09 P.M.

Q It looks like you are packed up to leave (referring to a box on the President's desk.)

THE PRESIDENT: Oh, no, that is a bunch of junk. It is a part of my filing cabinet.

If anybody thinks they are going to get anything today, they are mistaken.

Q Haven't you anything?

THE PRESIDENT: I haven't anything.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any particular news today.

Q Mr. President, what are your plans for going down to Charlottesville on Friday and how long will you stay?

THE PRESIDENT: I am going down to spend the night with Franklin and Ethel and coming back the next day.

Q Franklin?

THE PRESIDENT: Yes, Franklin.

Q Are you going to stay at the old place at Farmington?

THE PRESIDENT: I am going to stay at his house. It has been reconditioned since the fire. I got one spare bed, that is all.

Q You are coming back Saturday night?

THE PRESIDENT: Either Saturday around noon or right after lunch.

Q The Senate Territories Committee indefinitely postponed consideration of that Philippines Bill because they understood that President Quezon was coming. Do you know of that, sir?

THE PRESIDENT: I have not heard except that I read it in the newspaper this morning. There have been no official advices at all.

Q Of course you would recommend, sir, --

THE PRESIDENT: (interposing) I have sent a Message up on it, have I not?

Q Is the Administration request that certain monetary powers be continued in any way associated with the European situation?

THE PRESIDENT: No.

Q It is not?

THE PRESIDENT: No. It is associated with the world economic situation; put it that way. It is a different thing.

Q The orders for the return of the Navy last week seem to have come as a surprise to certain Naval officers who would presumably know in advance. Could you tell us what caused the sudden issuance of the orders or order to the Fleet?

THE PRESIDENT: Nothing more than what the Chief of Operations said. They are going back to their normal fleet bases.

Q Why five or six weeks ahead of schedule?

THE PRESIDENT: Because the Navy is subject to daily change in orders.

Q Thank you. (Laughter)

Q Mr. President, you had a conference with six Government officials today and two of them said they listened attentively. Could we get anything on what they listened to?

THE PRESIDENT: Did they tell you anything?

Q No.

THE PRESIDENT: I can't tell you. They agreed they would not and I agreed that I would not.

Q Could you tell us anything about the subject of the discussion at that time?

THE PRESIDENT: No.

Q You don't sound very newsy, Mr. President.

THE PRESIDENT: I wish I could help you but there really isn't honestly any news at all.

Q Anything to say about the District Sales Tax?

THE PRESIDENT: No, I have not had a chance to even read the bills that were shown to me.

Q Did you discuss the Kansas City investigation with District Attorney Maurice Milligan?

THE PRESIDENT: No. I never met him before. He came in to say, "How do you do?"

Q Mr. Richberg said he discussed the question of Mexican oil. Can you give us any details about that?

THE PRESIDENT: No, except that he is hopeful and I am hopeful that the thing will be worked out.

Q Is it desirable that he return for further discussions with the President of Mexico?

THE PRESIDENT: I do not know; that is up to him.

Q Do you know whether he is returning?

THE PRESIDENT: I do not know.

Q Do you plan to intervene in the negotiations between the coal operators and the --

THE PRESIDENT: (interposing) I have not heard anything about that. On Saturday the Department of Labor was working on it over the week end and I have not heard today what happened.

Q Have you given your approval to the amendments to the Wages and Hours Act introduced by Mrs. Norton?

THE PRESIDENT: I do not know. I have not seen the one introduced by Mrs. Norton but the general line-up by Elmer Andrews seems to be all right. That is, the objective. Of course I do not know the language.

Q Will you see them (meaning certain Members of Congress, etc.) about the Griffenhagen report (relating to the reorganization of the District of Columbia)?

THE PRESIDENT: Next week. I have not read it. I think, just as a tip, that it is primarily a Congressional responsibility.

Q Are there any further conferences planned with Pat Harrison and Bob Doughton on taxes?

THE PRESIDENT: No date set but I am sure we will talk in the next week or ten days.

Q Mr. President, do you have a relief message going up?

THE PRESIDENT: Yes, sometime soon, the next week or ten days.

Q Any comment on the reaction of the Latin American governments to your appeal?

THE PRESIDENT: No.

Q Mr. President, Mr. Barclay (Senator Barclay) said last week that you had asked for $1,500,000,000 for relief. Is that approximately the right figure?

THE PRESIDENT: I told him we had put that figure in the budget and that I saw no reason, when I talked to him a week ago Monday, to change that figure at the present time. But, of course, I am right in the middle of studying the situation and I cannot give you definite assurance what the message will contain.

Q Can you throw any light at all on the type of economic or trade steps or actions you might contemplate in the event your peace appeal is successful?

THE PRESIDENT: No.

Q No comment on that?

THE PRESIDENT: No.

Q Will there be an I.C.C. nomination soon?

THE PRESIDENT: I don't know; I have not got around to it.

Q How about the S.E.C.?

THE PRESIDENT: Probably pretty soon.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #540-A, -- American
Society of Newspaper Editors,
In the State Dining Room of the White House,
April 20, 1939, 9.10 P.M.

(William Allen White, the President of the Association, introduced the individual members to the President. There were about 200 present.)

MR. WHITE: Mr. President, on behalf of the Society I want to thank you for your invitation. I want you to know that this is the largest assemblage of our Society that has ever gathered in this House. You are still the most interesting person. For box office attraction you have Clark Gable gasping for breath. (Applause)

We wish to say this: Most of us have agreed with most of the things that you have tried to do. If some of us have disagreed with a few of the things, it was in sorrow, not in anger, and it hurt us much more than it did you. (Laughter)

THE PRESIDENT: I am very glad that Bill put it that way. Of course I have got to admit that those things in which you have not agreed with me, I have not even felt sorrow, let alone anger.

MR. WHITE: Withering indifference?

THE PRESIDENT: No, merely a hope deferred, a hope deferred.

It is good to see you here. I think this is the seventh time that the Society has been in this room. We have always talked fairly frankly and with a good deal of, well, definite feelings. There is only one thing I would want to say and that is that I hope we go on this way for the eighth time.

As you know, this is a family party -- the world won't be told about it. In other words, it is really in the family and off the record. There have been, I am sorry to say, one or two cases when one of the children out of the 129 who are either here tonight or were here before, where he has gone to the school and told the school about it the next day. Of course it does make it terribly difficult for all of us if we should happen, any of us, to go back to school tomorrow morning and tell the school about what happened in this Greek letter society to which we belong. This is, very distinctly, a club, a social club, and, therefore, we ought, I think, to regard it as such.

That is just by way of what I say every year. It does not always work but it has to be said every year. And I hope the year will come when it is not printed two days later somewhere.

Dave Lawrence made a gallant -- an honest and gallant attempt to get the discussion here on a high plane, and practical plane, and he asked various people to send in questions beforehand. It is the first time it has been done. Well, I hope the questions are not a cross section of the Society. There weren't many that came in. I think -- I suppose I had better read them to you so you can judge for yourselves. I do not believe that a great majority of these questions do represent a fair cross section of this Society. Some of them are ignorant; some are impossible; some of them show bias. They do not get us much further forward. There were a few of them that, I think, came within the category of honest, clear-cut discussion, which is what these meetings are for, especially on the question end. What was it, two years ago that I did the questioning? It worked awfully well;

it was grand; it was the best party we ever had. There were some amazing results. We began to get a cross section of the opinions of the newspapers of the United States and that, to me, is intensely valuable. It is probably, for the Nation itself, more valuable that I should get a cross section of the beliefs of the editors of the Nation than vice versa, much better for the conduct of the Government. And so I think you will forgive me if, perhaps, I ask questions tonight. Do not worry, you have the same right to take refuge in evasion if I ask you a question, as I have to take refuge in evasion if you ask me a question. It is 50-50 and may the best man or the best girl win.

Now these questions: I got Steve (Mr. Early) to list them up for me and I will read you some of them so as to give you an idea of the intelligence of the editors of the country. (Laughter) You are the jury. It is good, too. It was a grand effort and I hope very much that Dave (Mr. Lawrence), if he runs this show next year, will repeat it, and I hope that you will take more interest next year in his request for putting questions down, if you are going to do it that way. I am not impressed by this year's result and neither is Dave.

Well, let us see: This comes from up-State New York, which I am glad to see, being my own country, is so well represented here tonight. There is nobody here from Poughkeepsie and I will have to attend to that when I get home. We have three independent papers in Poughkeepsie, all run by the same man. (Laughter) There is a morning paper and an afternoon paper and a weekly paper so I will have to get after that gentleman who represents all three, when I go back home next week and find out why he was not here. Anyway, this comes from up-State New York and not Poughkeepsie. I will protect the fair name of that city. (Reading)

"Did not Army-Navy air force jurisdictional conflict in Pacific Coast maneuvers summer of 1938 reveal necessity for air force under separate command (Lindbergh?) but co-ordinate with Army and Navy under new defense department? Have we profited by British air defense muddle before Munich by scrutinizing efficiency of our air force organization and methods in process of urging expansion?"

In the first place, the first part of the question says, "Did not Army-Navy air force jurisdictional conflict in Pacific Coast maneuvers summer of 1938 --" What was it? Who was the man that asked the question? What was the conflict? I am supposed to be Commander-in-Chief. I am supposed to know what goes wrong with an Army and a Navy problem. I never heard of it. Will you enlighten me?

Did this alleged jurisdictional conflict that I never heard of reveal the necessity of an air force under a separate command? The answer is very, very simple. The people in the United States who are charged with the defense of the country, the Army, the Navy and the Marine Corps, they have their air defense divisions just as much as they have destroyer divisions or submarine divisions or anything else -- they believe by an overwhelming and preponderant majority that it would be a mistake for them to have a third branch of defense under some kind of a new defense head. Well, I probably know more about defense, as a civilian, than anybody here except Joe Daniels, my old Chief. And all I can say is, having had some experience, as he has had, that unless the lay people in this country, the editors of papers, know a great deal more about defense than we do, we have been on the right track all these years. It is also a fact that abroad, where they have tried three different departments, they have had to work out all kinds of coordinating machinery for that third branch. In other words, it did not work the way they thought it would. And people who are professionals on defense -- none of us are, literally none of us, nobody in this room -- they think it would be a mistake and I don't believe we could go counter to the best advice that we can buy. (Reading)

"Have we profited by the British air defense muddle?" Well, that is a statement that there was a British air defense muddle. Whoever asked the question, they should let us know about it. We do know last September the British air force was very, very weak. We also know, as a matter of practical fact, that the British, as a nation, have never learned large-scale production the way we have. I do not think it is quite fair, quite cricket, as the British would say, to call it a muddle. Is it cricket? I don't know. Does anybody in this room know enough about their problems of building aircraft prior to Munich? About their military problems, their political problems? Does anybody in this room assume to get up and call it a muddle? I don't because I do not know enough about it. Now, there is the answer. (Reading)

"Do we know enough about it by scrutinizing what happened? Have we profited by it?" Well, we have been doing the best we could. That is all I can tell you. (Reading)

"Is it true that out of Munich --"

Oh, here is a southern friend.

> "Is it true that out of Munich grew an agreement between Chamberlain and Hitler to this effect:
>
> "That Germany will be permitted to go unmolested, as far as Great Britain and France are concerned, in her move to the East, to fight Russia.
>
> "That for this favor Germany will withdraw from the Berlin-Tokyo axis to permit Great Britain to fight her eventual war with Japan."

Well, I assume, of course, that when a question like that is asked that it is based on some reasonable fact known to the author of the question. Of course, naturally, it is a Baron Maunchausen type of question but I wish the managing editor of this paper, who asked the question, would tell me what it is based on. It would be very, very interesting to me to find out whether he believes the source and, therefore, what the source was. What was the source? Don't be afraid. Get up and tell me.

Perhaps it is carried out in the second part of the question.

"Pierre van Passen --"

Now who Pierre van Passen is, I don't know, for the very good reason that I never heard of him. He may be a very famous author. (Reading)

> "Pierre van Passen brings this out rather positively in his book, 'Days of Our Years,' although he does qualify some of his statements.
>
> "He left me under the impression that some dirty work went on at Munich and what we are witnessing today is nothing more than a follow-up of the September agreements. If what van Passen says is true, the future promises some rather astounding moves."

Well, are we talking about news tonight or are we talking about Jules Verne or the people who read the stars? I don't know. I hope that is not news or the basis for news.

Here is one from up-State New York: (Reading)

> "Because of the threat of war in which this nation may very possibly become involved, should not the President of the United States seek unity and harmony and an end to class struggle by an open and direct instruction to his subordinates that they are to cease making speeches tending to create discord and economic warfare within our borders?"

Well, what kind of speeches? Give me an illustration, do, please.

Look, don't be bashful! Good God, you are grownup people.

Q (Mr. Hugh W. Robertson of The Evening Dispatch, White Plains, New York) I wrote that, Mr. President.

THE PRESIDENT: Good for you. There is a fellow willing to speak up. What kind of speeches tending to create discord?

Q (Mr. Robertson) I referred to speeches of your Cabinet members.

THE PRESIDENT: Who?

Q (Mr. Robertson) Mr. Ickes and Mr. Hopkins.

THE PRESIDENT: About the press?

Q (Mr. Robertson) Not particularly. About the relationship between capital and labor.

THE PRESIDENT: What particular thing? Again we have to be specific.

Q (Mr. Robertson) The general character of the speeches, Mr. President, that have been made over the last two or three years.

THE PRESIDENT: Well, what? I know the general character. What?

Q (Mr. Robertson) I haven't got their speeches with me.

THE PRESIDENT: That is the trouble. In other words, you are talking about the impression?

Q (Mr. Robertson) That is correct.

THE PRESIDENT: Right.

Q (Mr. Robertson) And my impression has been that a number of those speeches have not been of the type which will knead this Nation into a unit in the event we have to fight. I never asked this question before, only when the threat of war came near to us. At that time -- you and I, who went through the previous war -- you were in the Navy and so was I -- knew it was important that we have an accord of all classes. I have felt, seriously, that some of the speeches that they have made have not been of the type which would bring us together in the next war if they kept on making them. That was the purpose of that question.

THE PRESIDENT: Well, I see exactly what you mean but, there again, I think we, all of us, do have to be specific. I have been criticized. You, if one talks to you, criticize. I can criticize you and you can criticize Ickes for saying that a hundred people largely control 75% or 80% of the industries of the United States. I can criticize you for it. You have a right to criticize Ickes for mentioning the fact. You can say it gives the wrong impression; maybe it does. But, after all, don't we have to think about whether the fact itself is true? Now, you can form your opinion as to the effect; so can I. It is perfectly all right.

Now, you bring it down to the war question: Of course, in time of war, it is the duty of everybody, members of the Cabinet, members of the Press, to get in behind the war. There is no question whatsoever and that did happen, very largely, 98%, in 1917. But, if you go back as a matter of record, about nine months before we got into the war, see what the papers of this country said in the summer and fall of 1916 about the then Government of the United States, who kicked? Nobody tried to curb the press in the campaign of 1916. But, when we got into the war, 98% was all right and, if we should get into a war -- and I don't think we are going to -- you will find the press all right.

Q (Mr. Robertson) I am not worrying about the press, Mr. President. (Laughter)

THE PRESIDENT: Here is from Ohio. (Reading)

"Do you think that lower taxes for corporations might strengthen business to such a degree that progress might be made toward the eighty billion dollar income which you expressed a hope for and that the government and the country might in the long run be the gainer because of a decrease in taxes?"

Well, you cannot answer the question unless you ask another one to go with it. Suppose we lower the taxes on the corporations, that is to say, I take it in the larger sense, lowering the amount of money that the Government would receive from corporations as a whole? All right. In order to do it, you have got to cut certain Government expenditures, unless you are to go worse in the red than you go now. A large part of those expenditures come from an effort to provide work for a needy people. Can I get any assurances that those people will be taken care of by private industry? If somebody will give me a method of doing it, grand, I will go along with it. Nobody has given it yet, nobody. There is the answer.

If I can get some kind of a plan, instead of merely a pious hope of cutting corporation taxes, I think we would have the basis of going somewhere. We haven't got it yet and I have been waiting for a good many years. (Reading)

"Is he going to run for a third term?" (Laughter)

Well, the answer is that this is 1939. (Reading)

"What is the President going to do to 'appease' business?"

That is from the same source. I do not think we need to answer it. (Reading)

"Will the United States be dragged into the European war?"

I devoutly hope not.

Here is one from down south: (Reading)

"Is your seeming dislike of the American press --"

There ain't any. He starts wrong. I love it. (Reading)

"Is your seeming dislike of the American press due more to comments by the columnists, to unfriendly editorial discussion or to what often is construed as coloring of the news?"

Well, that is easy. Perfectly simple. I read most of the columnists. I get quite a kick out of a good many of them. I never get mad with any of them. I think some of them are doing a pretty unpatriotic job but I do not lose sleep over it and they never get under my skin -- don't forget that. And one reason I never answer them is something that Steve Early said to me way back, I think in 1920. We did not have columnists but we had some equivalent of them. (He said) "Remember that if you are ever singled out, when you are in high public office, by a columnist or an editor, a column or an editorial, and they single you out for attack, whether you are Governor of New York or President of the United States, it is not going to help you to reply, but I will tell you what you are going to do: You are going to make the fellow that wrote that get such a terrible case of swelled head, because he has been noticed, that it is not going to do anybody any good."

That is a little bit of political wisdom that I think Bill understands.

Q Mr. President, may I be pardoned if I interrupt for a moment? I have an idea, as I have listened to what has so far gone on, that, while we are all thrilled with this very delightful evening with you, we will not have gained much if we continue as we have, the discussion of these questions.

THE PRESIDENT: Well, I am honestly trying to go through them because they were honestly asked.

Q I grant that but I have this feeling, that at this present moment both we, as newspapermen, and the people of the country at large and the people of the world are most interested in an international situation which seems very threatening. I believe that you could discard those questions and, so far as you are willing to go and so far as it is proper to go, discuss, off the record of course, and offhandedly, the international situation so far as you see fit to go and as is wise to go. I feel that we could learn very, very much which would have a bearing on our future attitude with respect to a serious situation that appears to exist and I believe they would like it. (Applause)

THE PRESIDENT: I am a little bit embarrassed because, after all, these questions were sent in in good faith and in response to the request of the Society. I would like to ask Mr. White and Mr. Lawrence what they think of it.

Q (Mr. White) Well, Mr. President, the understanding was that these questions were sent in for the purpose of permitting an advance study of the topics that might be of interest, but it was distinctly understood and the members understood that if you chose to answer none of the questions, no feelings would be hurt.

THE PRESIDENT: I was going to answer them all, though. I have got the synopsis here. I will do that; I will get to your suggestion but I do not want to overlook anything.

On observation, somebody has asked about Federal water pollution legislation. I cannot answer it because there are two or three or four bills up there on the Hill. As far as I know, I have not read any of them and I do not know what is coming out. I am in favor of eliminating water pollution and that's all, I guess.

On taxes and business, you had one (question) of them on this eighty-billion-dollar income and then one (question) from the South on getting the South out of hock by reducing the tariff downward. Of course please remember that we are operating, at the present time, under the [Hawley] Healey-Smoot tariff, which is the highest one the Nation has ever had and for which we were not responsible, but we are trying to increase trade by trade agreements.

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On the cotton program, you know as much about that as I do.

"Will Congress be asked to raise the $45,000,000,000. debts ceiling?" The answer, of course, is "No." The Secretary of the Treasury and myself have said, "No" several times.

Then all the rest (of the questions) do relate to foreign affairs, one way or the other. If you want, I will talk to you, off the record, about foreign affairs.

I do not quite know how to start is, except this:

I started myself -- I am talking personally now -- with a good deal of interest in foreign affairs because both branches of my family have been mixed up in foreign affairs for a good many generations, the affairs of Europe and the affairs of the Far East.

They started me off with a stamp collection at the age of eight and I got to know geography. Most people in this country do not know geography unless they are stamp collectors, and that is why I am encouraging the issue of stamps, of new memorial stamps and new series as much as I possibly can, not only because the Government -- Jim Farley -- is making about two million dollars a year clear net profit on it, but because it teaches geography.

I have had -- without naming names and talking about personalities -- I have had so many members of different branches of the Government who have shown, in talking to me, that they didn't have the foggiest idea of geography; not merely where countries were but a great many they never heard of; others, they did not know where they were. Very few people have any ideas of distances and the relations of one country to another.

In Government that I am talking about -- in Congress and the Administration -- very few people have any particular idea of ethnology -- I think that is the technical term -- nationalities. They lump all Latins into the same category and South Americans into the same category. They assume that the average citizen of Mexico has the same mentality, the same background by race and tradition, as the citizen of the Argentine, and yet I suppose they are as far apart, the Mexicans and the Argentines, almost, as we are in the United States from the Mexicans. They are entirely different.

We love to generalize and, of course, one reason is that the press only has a certain amount of space available and they have to generalize. You are under a terrific handicap in getting out a paper, always. You have to put in all kinds of cluttering statements that are just part way true because they try to cover too much ground.

But, as I say, I have had, personally, though it is a question of pure happenstance, a historic background of knowing geography. Then I was given the privilege, in 1913, by my old chief, of coming down here and learning more geography, not only this country but the world, because the Navy was concerned with the world. It had to do with other things that went with geography, the relative military strength of other nations, the relative economic strength of other nations to conduct a war. There were the strategical and even, in the narrower places, the tactical positions that one country bore to the other countries. Therefore it is very largely a question of knowing in this country, quite frankly, that in spite of the tremendous strides that have been made in international knowledge in this country in the past twenty-five years, we still have a long way to go. There is one thing I have always taken my hat off to since 1914 and that is the fact that the press of the United States has, since that date, gradually worked itself into a position of carrying the best foreign news of the press of any country on the face of the earth. It is a perfectly grand job that we have done, not merely in the big metropolitan dailies but in the smaller places in the country. The intelligence and the actual space that has been devoted to foreign news has put this country in a position of knowing more about the world than any other country knows about us.

If you take the knowledge of the average American citizen about Europe, well, from my point of view -- I have got to be quite frank but, then, I have been in Government for a long time -- it is pretty sketchy, but it is a hundred per cent better than the information that the citizens of Europe have about the United States. They know almost nothing about us and that includes not merely the general run of mine of citizenship but, on the whole, while in most European countries they get what you and I would call a pretty good school education, they cannot visualize America.

I will tell you a story but, for God's sake, don't let it leak out. Mackenzie King about a month ago got word from Europe that the King and Queen would arrive in Canada on such and such a date; that they would be entertained and put back and proceed to Toronto by slow stages, and then to Ottawa, and that these preliminaries would take quite a long time. From there, they wanted to go to Vancouver and Victoria by train, stopping during the daytime at every important city between the East and the Pacific -- during the daytime -- but that at night they were willing, when the festivities were over in the late afternoon, to get on the train and roll a little way but, during the night, they couldn't sleep well if the train was rolling and, therefore, during the night the train would have to be put on a siding.

So dear old Mackenzie King said, "My God, in England I believe honestly, in Buckingham Palace and the Colonial Office, they think that Vancouver is about the same distance from Ottawa that Edinburgh is from London. Sight-seeing in the daytime and go on a siding at night and get all the way across and back in a week!" That is literally true.

After all, a lot of us here who have been abroad and talked to intelligent Englishmen and intelligent Frenchmen and intelligent Germans, they just cannot visualize the conditions. But I think we can visualize them a great deal better, even though there are an awful lot of people in high places that still don't know their geography.

Now on geography -- let us use that as an example -- I had a meeting with the Senate Foreign Affairs Committee and I undertook to tell them what I think is a perfectly self-evident fact. I said, "What is --" -- I did not say, "What is" -- "What contributes to the defense of the United States?" "Well," I said, "one thing that is very important that contributes to it is the continued existence, political and economic, the independent existence of a great, of a large number of small nations. Now, if those small nations lose their political and economic independence and their political and economic and military resources fall under the sway of a very small group of nations in any part of the world, obviously there comes into being a concentration of control, military and economic and political, into the hands of a small group, far stronger than existed before and, therefore, in the future a greater political and military danger against us, if their eyes are turned against us."

Than I went on to specify and I said, "The continued political, military and economic existence of Finland has a direct effect on the safety of the United States." Well, of course, that if perfectly obvious to anybody that knows geography. It is a little bit of a country but it has resources. It has mines, it has forests, it has an extremely intelligent population, and Finland is no menace, no conceivable menace to the United States for a hundred years to come as long as Finland is Finland. Now, if by some chance Finland should come under the domination of some other nation, a nation which is expanding -- we need not name any names -- in a military way, seeking a new economy other than that which has been pursued for centuries by the world in unrestricted trading between nations, if Finland falls in an economic and military way under the sway of this rising nation, does it not affect the safety of the United States? Of course it does."

And then I went on and I said, "Esthonia." Well, does everybody know where it is? If I were to give you a blank piece of paper, to everybody in this room, could you put down just where Esthonia is? I wonder. Now, that is an interesting question. Get a piece of paper afterwards and let's play a game like pinning the tail on the donkey. Do you know where Esthonia is? What is the relationship between Esthonia, Latvia and Lithuania? They are all independent nations. Not their independence but their national pride goes back a great many centuries. They want to retain their national independence because with it goes something that is spiritual, something that is inside of the race that lives within their borders. We have always felt that when a nation that was fairly homogeneous wanted to live its own spiritual life, as well as its own political life, it had a right to do it.

So I told the Senate Committee that the same thing applied to Sweden, Norway, Denmark, all these nations that I named the other day. Their continued independence in a military way, in a political way, in an economic way, those act as a protection to the safety of the future of the United States. That is the easiest way of putting it. And our policy is to encourage those nations to maintain their independence as they have it now. Of course we do believe in the majority rule and if, in a pre-exercise of the franchise within those nations, they decide to tie up, two of them together, or to merge with some other country, well, that is a free right of human beings to do it and we Americans would never put anything in their path to prevent the free exercise of the opinion of the majority of people in those nations.

Now -- I am talking, still, from a military point of view -- there are today in Europe -- it does not make much difference what the names are -- two nations, as I said the other day, who, whether we like it or not, have taken away the independence of three independent nations in the last four years, 1935 to 1939 -- less than four years. Well, you can pass up Ethiopia -- they were pretty wild people in Ethiopia, they were not very highly civilized from our point of view; maybe they would have come under that definition that President Wilson, I think, acceded to in 1919 in talking about backward nations, but I often wonder what right, inherent right, you and I have got to call any other nation backward. Have we a definite right to call any nation backward? The son-in-law of the Emperor of Abyssinia came here to the White House in 1934. You may say he was a prince of the blood, or something like that. He could not speak English. I asked him something about the religion of Ethiopia and, through an interpreter he said, "Mr. President, I do not know that you know about our church in Abyssinia." I said, "I know a little about it." He said, "You know, of course, it antedates the Roman Catholic Church, don't you?" I said, "What?" He said, "Yes, the Abyssinia Christian Church was founded by St. Mark fourteen years before St. Peter ever went to Rome."

Are they wholly uncivilized people? I wonder. Anyway, their independence is gone. There is nothing much we can do about it except to maintain in our diplomatic relations, perhaps only as a gesture, a gesture of not recognizing the King of Italy as Emperor of Ethiopia. The gesture has been made and history will record that the protest was made and lived up to for about four years. I do not know how long it shall continue.

Well, quite lately, in a little over a year, the independence of Austria has been taken away without any vote on the part of the Austrian people. The Austrian Empire dates back -- of course the independence of Austria as a state -- over a very great many centuries and we thought then that perhaps that was the end of it. But no! Then came, this past fall, the Sudetan question. In the Sudetan area, the Reich claimed that they were German, that they talked German, and they were descended from Germans. Well, that was true, but they had a lot of other blood there too. There was no effort to have a vote taken. We know how the Sudetan area was annexed to Germany. And again there seemed to be some hope with reason behind it because it was uniting Germany with Germans, even though it was not done after some popular expression of a vote.

Then we hoped that certain words were to be lived up to, that Germany was undertaking to unite under the same flag all people that spoke German and were clearly and definitely of German origin. I think we all hoped that that would be the end of it. Then, no so long ago, Czechoslovakia, which was made up, what was left of it, almost wholly of non-Germanic people, made up of people of Slavic origin with a wholly different language and very different customs, a rather closely knit group of people, the Czechs, the Slavics and the Ruthenians -- well, overnight -- it was not a question of taking it over -- overnight it just plain disappeared and they were taken into the German Reich.

Now I believe a good many of us are beginning to ask the question: There has been a great deal of smoke; where is this thing going to end? Is it an attempt to get world domination?

And then, just two weeks ago, on Good Friday, in spite of every known kind of assurance the night before that there was no intention of invading Albania, the Albanians being under no possible conception Italians -- they are a different race entirely, of different origins, the most of them having different religions -- Albania disappeared and then that was followed by reports that other nations were going to disappear.

So, quite recently, Americans began to ask themselves the question: Where is it going to end? And then a lot of people said, "What the hell difference does it make? That is Europe." There were a lot of newspapers that said, "What difference does it make? How does it concern us?" "Well, now, look at your geography." "Oh, well, we are not going into the war over it, in spite of lots of people."

But I saw people -- and I have seen in the last two or three days two or three people who came back from the other side, people who are in a sense experts; well, Charlie Lindbergh today was one of them -- and I have asked a question that I learned from Jack Garner, who puts things in terms of odds. He loves to put things in terms of odds. Well, the first question was, "What is your judgment about whether there will be a war in Europe?" And the answer in all three or four cases -- and these people, incidentally, are people that have just come from the other side and are rather trained to evaluate things; they know their geography and know the facts at first hand -- they have said that it is a fifty-fifty proposition, and one of them said to me, "I will bet either way." Well, it is coming pretty close to home as to whether there is going to be a war when it gets to be an even money bet. That is something to think about, whether it be in Washington, D. C., or Watertown, New York, a fifty-fifty chance there will be war in Europe.

How does it affect us? Then I asked the second question to bring out how it would affect us. And the question was, "If there is a war in Europe, we being completely on the outside, of course, who will win?" And the answer in every case was the same: "An even money bet." How do you like that? Every one of those people that I talked to knew more about it than anybody in this room, including myself, and I have a lot more information than any of you have. They are a lot better qualified to lay odds than I am. They are better bookmakers; that is a homely way of putting it. First, a fifty-fifty chance of there being a war. No. 2, a fifty-fifty chance as to which one wins. I don't like it.

I have been held over the coals because I tried to tell the country the truth. Well, I went off to the Fleet maneuvers. I got word driving down to Key West, from the State Department, certain information. I cannot give you the information as to everything that comes to the State Department, obviously, for two very good reasons, excellent reasons. The first is that we get, as you do, a lot of information that does not turn out to be true. It is the best information that the Ambassador or the Minister can get and, mind you, they are sending from all over the world today; they are telegraphing to the State Department from every embassy and legation, two and three and four and five times a day. Now, we cannot give it out to you because, obviously, a lot of it is based on the latest thing they have heard and it turns out not to be true. Just like a newspaper, you have got to print it if it comes over the wire and a certain percentage of the time it does not turn out to be true. You do the best you can.

The other reason that we cannot give out this information is the obvious fact that if we did we would immediately dry up certain sources from which that information was derived. We have got to keep it quiet or our people, in different parts of the world, just could not get any more from that source. That is obvious. And so I think that the Diplomatic Service in the United States deserves an enormous amount of credit for the way they are keeping this Government in touch.

Well, it was because of certain dispatches that I got that morning, driving down to Key West, that I got hold of the eight or ten boys who always go with me, (I got hold of them) at the noon hour at one of those camps on the Keys and I said, "Listen! I have thought it over pretty carefully and I have said to myself, 'I do not think it is fair to give this country -- this is the eighteenth or nineteenth of February; I am going to be gone twelve days off with the Fleet off the West Indies and I do not think it is fair to give the country the impression that everything is all quiet in Europe when it is not.'"

I was called an alarmist. Well, it did not happen in those twelve days. But it happened about ten days later, when Czechoslovakia disappeared off the face of the earth. Now, my remark to the Press that I might have to come back before my twelve days were up was based on definite information. I say definite information; it was the best information they had at that time that something was going to happen, and I wanted the country to be prepared for it.

Then you come down, come back to this question of odds and I will say these are not my odds, these are odds told me by pretty good guessers and there is a lot of guessing in the game: even money there will be a war and, if there is a war, even money that the -- what was it Mark Sullivan calls them? -- the totalitarian powers will win. How do you like that?

Well, that brings it home to Kansas City. Why Kansas City? Well, suppose they win. Now you come down to the real newspaper field, guessing. Now, that is something we can all do -- guessing. What happens if the totalitarian powers win? I am not talking about the effect on democracy and religion and all the other things I think go together. The fact remains that under the totalitarian regime religion goes out the window, in large part, as far as Government is concerned; of course you will never get it away from the people themselves. But it means that they will dominate Europe. A victorious war means that the victors impose the terms. What are the terms? What do they want? Heavens, if they were to win a large European war, they would want domination of Europe and the things that go with Europe. It means the disarmament of the democracies so that they can never fight again, because you cannot fight modern wars with dear old William Jennings Bryan's idea, "A thousand men springing to arms overnight; pitchforks and table knives." You know that now. They won't have any arms. They would be out. At the same time, they would lose, obviously, their raw material resources, which would come under the domination of the totalitarian nations. That means raw material sources in Africa, and a large part of Asia and many of the Australasian islands, Sumatra and Java and so forth and so on, where there exists so large a part of the raw material sources of the world that is necessary to keep modern civilization going.

All right; we are not affected any, only indirectly. But you and I know that if -- let us draw a parallel: If Napoleon Bonaparte had won out that time that he organized the fleet to invade England, the fleet that never started, if he had taken England and destroyed the British Navy and British shipping, we would probably have had an awful lot of trouble with Bonaparte dominating Europe, in Louisiana, and elsewhere in that territory somewhere in between 1805 and 1814. However, he did not do it, so it is all right. That is a pipe dream, but we have to think about pipe dreams. Suppose the raw material sources passed into the hands of military nations which, giving up the spiritual values, place emphasis entirely on efficiency and on the idea of power? What happens next? I am not talking about the United States; I am coming closer, though. Today they have somewhere around 1500 planes which can leave their countries tonight, be in the Cape Verde Islands tomorrow morning and be in Brazil tomorrow afternoon. They have got them. We have eighty planes that could get there in time to meet them. They have 1500.

Or let us leave out the military end. The Argentine is dependent entirely on the export, for instance, of cattle, wheat and corn. Nearly all of those three commodities go to Europe. Whoever controls Europe economically and, therefore, from a military sense too, can say to the Argentine, "We will take your products, your food, use it in Europe, and we will pay for it with our industrial products." What is the Argentine going to do? It means, virtually, political slavery, economic slavery, the end of real independence on the part of the Argentine. What would you do if you were President of Argentine? You will say, "Yes, I am awfully sorry to do it but we will starve if we cannot get rid of our corn, cattle and wheat and we know that we cannot sell them on this continent because every other nation on this continent produces all that it need consume."

They will say to Brazil -- they are good friends of ours -- "You people would be out of luck if Europe did not take your coffee and cotton and rubber?" Brazil would say, "Yes, of course." (They would say,) "You trade with us. We will take all your cotton and coffee and rubber and we will act as factors or agents and we will distribute it through Europe and we will send you, on a pro rata basis between the countries we own in Europe, we will send you their manufactured products."

Brazil would say, "By God, that is terrible; you are taking our independence away from us." And they will say, "Awfully sorry; take it or leave it."

That is a perfectly possible thing. I think that Ambassador Daniels will agree with me that that is a definite possibility in the future in Mexico. It is a very possible thing to happen. "We will take your oil and pay you in our goods."

What are we going to do? Of course with that goes military control of those nations. They cannot any of them fight against the totalitarian nations. They would not last a week. They have 1500 planes today. They cannot hop them directly across our 3,000 miles but they can do it in three hops, middle Europe, Cape Verde, Brazil, Yucatan and Tampico. I think I am a lot safer on the Hudson River than I would be if I were in Kansas. They (in Kansas) are awfully close to Mexico. It sounds fantastic to talk that way; it is not rational. I will ask you a simple question: Suppose this were April, 1933, and I was to say to all of you that in four years two nations in Europe will come pretty close to dominating Europe, offering a very definite threat to every other independent nation in Europe. "The President is saying things that are crazy." You would have said that. And I would have had far less reason to say that in 1933, because none of us foresaw it, than what I am telling you tonight about the possibility of the next few years, because we have things to go on at the present time that we did not know in 1933.

Now, we all hope it is not going to happen and that we are not going to get into this game, except this: we know where the sympathies of the American people will lie. We are not going to ✓ send armies to Europe. But there are lots of other things, short of war, that we can do to maintain the independence, to help maintain the independence of nations who, as a matter of decent American principle, ought to be allowed to live their own lives. I think that covers it. It is a pretty serious thing.

Those are the possibilities; not the prospects, not even the probabilities, otherwise the odds would be different. They are possibilities; they are possibilities every part of the country ought to look at.

Of course there is one factor I have not mentioned and that is the factor of the Far East. We are not going to send troops to China or anything else. It is too militaristic to talk about that; it is silly. But the fact remains that there may be -- I do not say there is but there may be -- an unwritten gentlemen's agreement by which one of the nations in the Far East has been, in a sense, given free rein in the Far East.

Suppose they have that free rein in the Far East? Well, I don't believe it affects us an awful lot, but it might, in the long run, because, with all the material resources that would be gathered into the control of that nation, when people get into that frame of mind, you never can tell where they are going to stop, and there are a lot of evidences on this continent that they are thinking to a certain extent in terms of this continent. You know, the Japanese have a very strong hold in various Latin American countries. It may be only for legitimate trade; on the other hand, we are all from Missouri -- we have to be -- and they may have other thoughts in the back of their heads. We do not have to get worried about it as long as somewhere back here you retain the little thought that they might join up the danger from the other side and make it even more difficult to defend ourselves. And, incidentally, defense, of course, is wider than it has been at any time. There is something about these Fleet maneuvers that we had. I did not want to scare people, so I did not tell you where they were held. People said they were held in the Caribbean and insisted on it because very few people know where the Caribbean is. There ought to be a map in front of everybody, all the time. Actually, in these maneuvers the Caribbean was blacked out; that is to say, so far as the Caribbean was concerned, it was dry land. So far as the maneuvers were concerned, it was dry land; I went in there to fish. (Laughter)

So the problem was this: the problem was made an attack from Europe, which had certain objectives. One was to land a comparatively small force of forty or fifty thousand men to make successful revolution in a South American republic, "A." These troop ships were supported by the main fleet of the enemy. Well, we assumed that that was a violation of the Monroe Doctrine; rightly or wrongly, that was the assumption of the maneuver. The next objective of the attacking force was to occupy a base, a definite base that could be used for patrol planes and bombing planes and all kinds of planes somewhere down in the Windward Islands. The third objective was to theoretically snipe off, here and there, enough of the defending fleet, a few ships here and a few ships there and a few planes there until the defending fleet was so weak that the main attacking force, battleships and everything else, could move in and engage them and clean them up.

Well, of course, in the first place there are so many theoretical questions in these games that we never award the prize to either the attacking or defending fleet; there are too many ifs in it. But the fact remains that that attacking fleet was first discovered seven hundred miles from the nearest American land by the defending planes. So now you see the area of modern warfare. And, during the next few days, from the point of view of the defense, we discovered component parts of that attacking fleet -- if you remember your map -- as far south as the mouth of the Amazon River in Brazil and as far north as Charleston, South Carolina. In other words, the expanse of ocean that they were operating in from north to south was about fifteen hundred miles and a distance off the Windward Islands that are the farthest out part in the continent, a distance of seven hundred miles out towards Africa.

At the same time, from the point of view of the attacking fleet, they were able to send raiding planes, raiding submarines, raiding cruisers in. Several bases were destroyed in the Windward

Islands; the base in San Juan, Puerto Rico, was destroyed; the Guantanamo Bay base was destroyed and a theoretical base off the coast of Florida was destroyed.

Well, it was only a game, but it shows the range of modern warfare. I was thrilled by it and, although I was in pretty close touch, I had no idea that we could put, for seven days straight, that we could put six hundred planes into the air every day, either from patrol bases, as far south as Trinidad, off the coast of Venezuela, off Puerto Rico, off the decks of cruisers and airplane carriers, six hundred planes in the air steadily for seven days, and we did not lose a plane.

That is a pretty wonderful record but it shows the problems of modern warfare and it shows how terribly close Europe is to the United States.

And, just to elaborate for one second, it would take planes based at Yucatan, modern bombing planes, about an hour and fifty minutes to smash up New Orleans. It would take planes based at Tampico, fully loaded, I think about -- what is the distance, Bill, from Kansas City to Tampico, about seven hundred miles?

Q (Mr. White) I think quite a little further.

Q A thousand miles.

THE PRESIDENT: Well, at three hundred miles an hour, a little over three hours and a half to reach Kansas. Of course we would try to smash them up before they got there, but we do not know. It is an awfully small world.

Q What did Lindbergh have to say about aviation in Europe -- Germany, France and Great Britain?

THE PRESIDENT: I cannot give you those particular figures. They were given in confidence to Congress, otherwise I would. They were told, the committees up there, and they were the same figures that we knew at the time of Munich, and the German and Italian plane strength at that time -- I won't give you the numbers -- they were over five times the plane strength of England and France. And the numbers were bigger than the numbers printed by any of the so-called experts in this country. I asked Lindbergh whether those figures we had used last September were correct and his answer was that he thought I had underestimated the German and Italian numbers slightly, by about a thousand. Furthermore, he corroborated what our people had accepted as fact last September in regard to the construction possibilities, possibilities of plane construction in Germany and Italy. Those estimates -- I might just as well tell you that the estimate of German plane production in the event of war runs from thirty to fifty thousand a year; the Italian from five to twelve thousand.

Q Mr. President, how much longer do you think Japan can last out, eventually, in the event of complications with Russia, in the event she is brought into any totalitarian organization, from the standpoint of financial affairs?

THE PRESIDENT: I do not think that anybody can answer a question like that, for this reason: We have had so many instances of nations that every human being that has our point of view has said, "My God, they are on the rocks; they won't last more than three months or six months," and then they have gone gaily ahead and never busted. There are a lot of nations that, from the point of view of the average American, are busted today and yet they go ahead day after day.

Schacht told me in the spring of 1933, when he was trying to borrow money here, that Germany would only last one year the way she was going. The summer of 1934 a friend of mine, an American businessman who knew him, went over to Germany and asked him how long Germany would last. Schacht almost wept, "My poor Germany will only last one year." I never see the same people twice. Another man went over in 1935 and Schacht said, "Germany at this rate, it cannot last more than one year." And in 1936 and 1937 the same thing. Finally Schacht got out in 1938 and Germany is still going on. Well, how do they do it? You don't know.

Q If this fifty-fifty on the side to win, does that contemplate supplies are going from this country in the event of war?

THE PRESIDENT: No, no it does not.

Q What would the odds be then?

THE PRESIDENT: I don't know. I never put the question that way.

Q How about oil supplying these planes, even if Germany and Italy were building them?

THE PRESIDENT: How about what?

Q The factor of gasoline and oil supplying these planes?

THE PRESIDENT: In Germany or Italy. Well, there again the people talk about a lack of gasoline in both countries. But, if they should go to war, it would mean they thought they had enough. That is the easiest way of putting it. In other words, they would not risk a war if they thought they could not get enough gasoline either from oil fields or by the synthetic process. You know, they are doing a lot of that. You know, they can turn it out at about three times the cost of actual gasoline. It may cost more, but it works.

Q Mr. President, you would have to turn out pilots fast enough. It takes about forty-five hours to train one.

THE PRESIDENT: They have pilots training in almost every village of Germany. Lindbergh said he had had permission to fly over Germany, to fly anywhere he wanted. He had complete carte blanche. He saw town after town where they had these hangars and dozens of planes out on the field. He saw lots of other towns where, obviously, there was student flying going on above the towns. He says they are all over.

Q Mr. President, if we lend the democratic powers aid short of war and then they become involved in a war and it appears at any moment that they are losing that war, do you think it likely that we could avoid following up that economic aid with military aid?

THE PRESIDENT: I do.

Q You think we might still avoid military entanglement?

THE PRESIDENT: Oh, yes.

Q Don't you think in such a case, after they had been licked, that the people to whose enemies we have rendered assistance would naturally be eager to come down on us as soon as they --

THE PRESIDENT: (interposing) I do not think it would make very much difference. I think if they won the war they would put a Chinese Wall around us anyway.

Q In the event of war, in which we might feel it necessary to participate, do you think that conscription would have to be resorted to?

THE PRESIDENT: Conscription?

Q Conscription, draft?

THE PRESIDENT: Of course I think we would run conscription, perhaps, on a little bit different basis. In other words, we have no plans for the Army now, for an Army of more than a million men. There are no plans. In other words, it is an honest fact that our Army plans do not contemplate ever having to raise more than a million men.

Q We have about four hundred thousand now?

THE PRESIDENT: Yes.

Q Don't you think that six hundred thousand might be raised with voluntary enlistments?

THE PRESIDENT: They could but, on the other hand, I am inclined to the thought -- this is pure guesswork -- I am inclined to think -- if we get into war, and I don't think we are going to -- we should proceed on the basis that everybody should be, in a sense, conscripted for whatever special type of work they are obviously fitted for at home, whether in factories or any other jobs which were essential jobs. They would be put into those jobs and they would have to feel that they were doing as much for their country as people who were selected to go into the Army.

Q If I understood you correctly, you said that in the event of the victory of the totalitarian nations, it would mean the permanent disarmament of the democracies?

THE PRESIDENT: Yes.

Q In view of the fact that Germany was supposed to have been totally disarmed a little more than twenty years ago, isn't that subject to clarification?

THE PRESIDENT: I do not think so. In other words, you have in Germany a nation that would see to it that their mandates and orders were carried out.

Q Didn't France do it?

THE PRESIDENT: No, France did not do it. France did it, there was a commission -- you can check me on this -- in Germany up to 1925 or 1926 and then, outside of the Essen region, it was abandoned.

Q Is it a practical proposition that the same thing would happen again?

THE PRESIDENT: I doubt it. I don't think their minds run that way.

Q I would like to ask your opinion about this: Until a year ago we heard that the American airplane manufacturers, following American superiority in automobile manufacturing, in technical and engineering matters, were the best in the world. Now we have been told in the last few months that they are not. I would like to have your opinion.

THE PRESIDENT: The best people I can get it from -- not necessarily secondhand -- who have been over there and compared them think that the German planes today are superior to ours.

Q It seems bad that that should be true, in view of the tremendous technical and engineering advantages of the American automobile.

THE PRESIDENT: I will tell you an interesting thing that Lindbergh said to me today on that subject. He said that over here we have, on almost any scientific problem, we have a dozen or fifty or a hundred different people at work on it separately. They all work on it separately. Over there, in the totalitarian states, they put all those people together so that they do not duplicate the same experiments, and they proceed to a mass study by the best experts they can get.

Well, we had a very simple example of that during the World War. We had, I think, about fifteen or twenty different airplane engines and we did not think any of them were particularly good. We put a whole lot of specialists in a room and eventually they brought out the Liberty engine, which was, at that time, the best engine which had been produced at any time, anywhere. That was because we stuck them in a room. And the Germans are doing that right now.

Q May I ask two questions? What changes in the so-called neutrality legislation do you think would be wise in order to accomplish what ends?

The other question was: It seems to me there is a sincere divergence of lay opinion as to whether the United States would be drawn into war if there is a general European war. Therefore, would you like to amplify a little why you believe the United States may not be drawn in, as it was previously?

THE PRESIDENT: Well, on the first part of it, the neutrality: Of course, it is an interminable subject to discuss, as you have discovered. Key Pittman (Senator Pittman) came down from the Hill the other day. I said, "Key, how are you coming on?" He said, "We have eighteen members present at this hearing and, so far, we have eighteen bills." That is literally true and the thing is being studied.

I suppose, to put it in a nutshell, I should say there are two objectives: the first, because of the experience we had in 1914 and 1915 and 1916 and the beginning of 1917, up to the sixth of April, we have to try to do everything we can to prevent messes in the war zone. We have to keep American ships out of the war zone and keep Americans from going over there because they like the fun or think they can pick up contracts. We have to keep them out of the war zone and, if they go in there, it is solely on their own risk so that this country will not be involved in any way.

You will remember that that was the proposal of Secretary Bryan in 1915, but the country was not ready for it and he was booed and hissed for making that proposal. The country said at that time, and perhaps I said it, "Any American has any right to go anywhere in the world and fly the flag and it will protect him, by gosh." Now, we have progressed a long ways. Mr. Bryan was right.

And then, on the second part of neutrality, of course they are proposing the so-called "cash and carry principle" which, in my best judgment, need not be written into law if you write the first proposal into law. I think that it is perfectly all right to put in the law a provision against Americans going into a war zone except at their own risk, or American ships, and then leave the rest to what might be called national policy that most of us accept and that is that goods sold in this country would be sent over by foreign flagships and taken wherever they may go.

On the other hand, that has necessarily a terrific exception to it because sentiment in this country is very definitely with China. It would work wonderfully in the Atlantic; it would work to the advantage of the democracies in the Atlantic, but it would work on behalf of Japan in the Pacific, so it is a terribly difficult thing to write down a hard and fast law that will apply with equal justice everywhere in the world.

Q Who would define the war zone in that case?

THE PRESIDENT: Well, I should say that common sense would.

Q Isn't experience just the reverse? Nations extend the war zones by decree.

THE PRESIDENT: I suppose the best example is this: In 1798 the French directorate went to war with England and they, by decree, said that all oceans were part of the war zone. They kept their fleets, their regular Navy, in France and they fitted out privateers under this decree that all parts of all oceans were part of the war zone in this war between France and England. John Adams soon discovered that American shipping, which the country was very largely dependent on then, being coastal colonies, that American flagships were being seized down in the West Indies and their crews were being put in little boats or landed on coral islands or being put in prison in Haiti, and so forth and so on. He found that this war was transferred by privateers, British and French, to the West Indies. President Adams said, "This is nonsense. This war is not going to be won by privateers in the West Indies. They have nothing to do with this war in Europe." So he started the Navy Department and we built some ships, two of which are still afloat, and he bought some ships and armed them and we sent the infant American Navy down there because it was not, from a common-sense point of view, a proper war zone. We cleaned up privateering all through the West Indies in 1798, 1799 and 1800. I think that American ships ought to have the right to go from here to Rio de Janeiro and the Argentine, all of us being at peace, and not be subjected to be captured or sunk by any of the European nation cruisers.

Q In other words, we would decide?

THE PRESIDENT: Sure, from a common-sense point of view.

Q Wouldn't that be conflict?

THE PRESIDENT: No, because it takes two people to make a war. We have had a quasi war with France without a declaration of war. Congress passed the appropriations and never passed an Act of war against the Barbary ports. We fought a three years' war with them and made American shipping perfectly safe all through the Mediterranean. There was no declaration of war.

Q Why can't American ships go anywhere at their own risk?

THE PRESIDENT: Do you want to cut off trade entirely? Don't you want to protect a ship going from New York to Havana?

Q I am on the other side; I want them to go anywhere. (Laughter)

Q Would they be cut off going to Norway or Spain?

THE PRESIDENT: That is another question. It may be a matter of negotiations.

Q On the matter of aggression, would you take into consideration the necessity for a change?

THE PRESIDENT: A change of what? I did not quite get it.

Q I would say the change in frontiers. The frontiers of the world are not made forever. They never have been in the past.

THE PRESIDENT: Why should we mix up with the frontiers of other nations?

Q That is what I would like to know.

THE PRESIDENT: Well, I specifically exempted that in the message to

Mussolini and Hitler. In other words, it is a diplomatic term. I said we would be willing to do what we have done before, to enter into negotiations about the limitation of armaments, about economics, about trade throughout the world, not a conference involving the political problems, the boundary problems of other nations.

Q I am sorry I did not raise this question sooner, but would you mind giving us a little discussion of the probable effectiveness of the British Fleet in a general European war?

THE PRESIDENT: I do not know. I could not tell you honestly because there are too many opinions. Some people say they might hold the Mediterranean and other people say they would be able to hold only the North Sea. Some people say they would be able to protect their commerce and others say that they could not.

Q I had this in mind in connection with the aviation.

THE PRESIDENT: Yes.

Q Was Japan included in the fifty-fifty estimate?

THE PRESIDENT: No.

Q Was any consideration given to the Pacific problem at the time of our naval maneuvers in the Atlantic?

THE PRESIDENT: None at all.

Q Did you wish to develop the idea as to why you feel the United States would not be drawn into a general European war?

THE PRESIDENT: Because I do not think the United States would want to.

Q What would be the odds regarding a reply to your message (to Hitler)? (Laughter)

MR. WHITE: Gentlemen, for obvious reasons -- I, for one, don't want to wear the President down. I would rather have him than Garner any time. (Laughter)

THE PRESIDENT: I don't want to cut this off.

MR. WHITE: Here it is a quarter of eleven and, after all, you are human.

THE PRESIDENT: Well, it has been grand to see you here and I wish I could go on.

I am afraid almost everything we have talked about has been terribly hypothetical but it is a situation I think we ought to consider necessarily from the hypothetical point of view. I suppose that last question I had not answered before is as good an illustration as I know. God knows, we do not want to get into a war and again, on the doctrine of chances of our getting into a war if there is a war, it is an extremely long-range bet. I think we want to keep out but, on the other hand, I think we want to do everything we can to keep a survival of democracy.

MR. WHITE: On behalf of the boys -- I think I am old enough to call them boys -- you know that these meetings are really greatly appreciated. They are the peak of all our annual shows. We have had eight of these -- seven of these and the eighth is in prospect -- and I am sure you will join me in the hope that you and the country and the world will stop at eight and not think there is luck in odd numbers.

THE PRESIDENT: I think you are right.

CONFIDENTIAL
Press Conference #541,
Executive Offices of the White House,
April 21, 1939, 10.35 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning. How are you? It is a perfect day, is it not?

Q While you are away, just think of what I am going to do (showing the President some trout flies). I am going to Rapidan.

THE PRESIDENT: Fine. Isn't Rapidan the place they put the trout in just before you arrive?

Q I know the story of every one of those trout. They carted them across Washington with tons of ice and they damn near died before they got there.

THE PRESIDENT: You know I went to the Woodmont Club about three years ago and they had a lot of placed trout. When does the season open?

Q The season opened yesterday -- the Virginia season opened yesterday.

Q It is like shooting ducks in a bathtub, isn't it?

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: Steve says that he is a flat tire and I am a flat tire and you are all flat tires. (Laughter)

Q Pardon me, sir. We are reporters. We are not the editors. (The reporter was referring to the fact that the President had held a conference with the members of the American Society of Newspaper Editors the previous evening)

Q Mr. President, is there anything you can tell us about Judge Davis in Philadelphia? Has he retired?

THE PRESIDENT: Not that I know of. I heard there was a possibility of his doing it.

Q Can you tell us anything about the possibility of some action on the reorganization both of the District of Columbia Government and the National Government?

THE PRESIDENT: Only that the thing is very definitely still in the study stage. In other words, there are several different plans but the thing is coming along very well and I hope to get the first plan or the first two plans through Congress sometime next week. It has not been drafted yet. It takes a good deal of careful draftsmanship and I don't know that it will get in next week, but I hope so.

Q That is the National Government?

THE PRESIDENT: Yes.

Q Anything to say on the District of Columbia Government?

THE PRESIDENT: No.

Q What do those plans cover, Mr. President?

THE PRESIDENT: That is just what we are talking about. (Laughter)

Q Can you tell us anything about the proposed transfer of the R.F.C. to the Department of Commerce?

THE PRESIDENT: Nothing on that. That is all pure guesswork because there are three or four possible ways of working things like that out.

Q Getting back to this reorganization for another question, the law would permit you to merge the R.F.C. into a department?

THE PRESIDENT: Yes, or any of the other lending agencies.

Q It does not lose its entity?

THE PRESIDENT: Oh, not a bit.

Q Can you tell us anything about the S.E.C. appointment?

THE PRESIDENT: No, not yet. There won't be anything at all on that until next week.

On the reorganization, I would not do any guessing because I could not guess it myself. Nothing has been decided. There are various ways of working things out. The objective, of course -- there is one objective and a rather simple one: There are a great many of these agencies and it is physically impossible for the person who is in charge of the Executive Branch of the Government to see them all, the heads of them all, all the time. For instance, there are four or five lending agencies -- just using that as an example -- and that means the Executive head of the Government has to see four or five people and, if there is any question as to conflict of opinion as to procedure between them, the President has to straighten it out in the first instance. And the whole thing, from the point of view of the corporation executive, is to have those things decided by somebody who will act or sit over all of them. Physically, there isn't enough time for one man to see thirty or forty people constantly. No corporation is run that way.

Q Can you tell us anything about the possibility or probability of your appointing six assistants, White House aides or whatever you call them?

THE PRESIDENT: Nothing on it yet because it will depend to a certain extent on the way these plans are evolved. There has been no consideration given to it and, as a matter of fact, I think there is no money to pay them at the present time. I have only the authorization to appoint them but no money to pay them. The money will be put in some appropriation bill this spring.

Q Can you tell us anything about your talk with Phil La Follette and Bob La Follette yesterday?

THE PRESIDENT: No, except that Phil was just back from abroad and he told me all the things he had seen and heard over there. That is about all there was.

Q Did he ask you to recall Ambassador Kennedy, Mr. President?

THE PRESIDENT: No. (Laughter)

Q There was a story in this morning's paper that Jesse Jones might succeed Harry Hopkins as Secretary of Commerce?

THE PRESIDENT: That was the same story that had the other fake news in it.

Q That Hopkins might become Secretary of the Navy?

THE PRESIDENT: That was the same story that had the thing put under Commerce.

Q Can you tell us what Colonel Lindbergh told you about preparations abroad?

THE PRESIDENT: No, we did talk about the general airplane situation all over the world.

Q Is that military as well as commercial planes?

THE PRESIDENT: Military only.

Q Mr. President, can you tell us about your discussion with Secretary of Labor Perkins yesterday on the coal deadlock?

THE PRESIDENT: I do not know what has happened today. There was some question yesterday about -- you had better ask them in the Department of Labor about it because I am a little afraid to talk without more knowledge of the statute. There is a statute that allows us to call a meeting of them, I think, but I am not quite clear on it. You had better get the information over there. That would be the next step, if they do not agree pretty soon.

Q Would that be similar to the setup in the steel strike a few years ago?

THE PRESIDENT: I think you had better find out. You have got me.

Q What time are you leaving today for Charlottesville?

THE PRESIDENT: At 12.30.

Q Have you as yet received any reply from Hitler or Mussolini?

THE PRESIDENT: No, nothing at all.

Q Any comment on Premier Mussolini's speech of yesterday?

THE PRESIDENT: No.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #542,
Executive Offices of the White House,
April 25, 1939, 4.10 P.M.

THE PRESIDENT: I am going to give you a lot of filler. Is that what they call it, filler?

Q What is the reaction, pretty good?

THE PRESIDENT: Reaction?

Q On reorganization.

THE PRESIDENT: Very good, as far as I make out.

Q It sounds fine.

Q What is the scarlet ribbon for?

THE PRESIDENT: This? (Indicating) It came around a thing that was taken out of the White House -- a medicine chest.

Q It made a very good story.

Q That medicine chest is the one that the Canadian's grandfather stole out of the White House?

THE PRESIDENT: Yes.

Q I asked Colonel Watson what it was this morning and he said it looks like something you might be able to carry two quarts of liquor in. (Laughter)

THE PRESIDENT: Well, that is not my crack. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I am not responsible for this and it is off the record but the Press Secretary of the President (Mr. Early) just handed the front row a line which I think is unfair and mean. In this medicine cabinet that was stolen from the White House in 1814 and has just been returned, there is one drawer that still has some medicine in it. It is hemlock bark and that is a specific against scurvy. Steve (Mr. Early) suggested that I hand it over for distribution to the Press. Now, I do not think that is nice.

Q Let Steve try it.

Q Hemlock bark is worse than the bite.

(The President and quite a number of the Press booed.)

Q I thought that hemlock was a poison.

THE PRESIDENT: Well, perhaps Steve had that in mind; I do not know.

Q Wasn't it Socrates that had to take it?

Q Have you anything to add to the reorganization plan that you sent up to the Capitol today?

THE PRESIDENT: No, except that I think it is probably a good thing to read it before making hasty comment. One gentleman stated that the R.F.C. had been put in with the relief agencies. It has not. It was put in with lending agencies, and so forth and so on.

Q You made it clear but I think one thing may be added. Can you tell us today who will head these three departments and divisions? They require a head, do they not?

THE PRESIDENT: Oh, yes.

Q There is a report that Jones (Chairman Jesse Jones) will be coordinator for the lending agencies?

THE PRESIDENT: There has not been a thought of filling places anywhere.

Q Under this setup will you ask for lump appropriations for each of the new divisions or would they still be earmarked as they were in the past?

THE PRESIDENT: No. There again, if you will read the thing, it carries out what the law says. It does not ask for any appropriation.

Q I do not mean in the present; I mean for the future.

THE PRESIDENT: In the future?

Q Yes.

THE PRESIDENT: That depends on how the Congress wants it. In other words, we follow the request of the Congress for the lumping of different appropriations into one bill. For example, the State Department is in with several other departments and then there is the Independent Offices Bill. We follow the procedure that the Appropriations Committee asks.

Q I think it was Mr. Byrnes (Senator Byrnes) said today on the Hill that there was no authority under this law for you to fix the salaries of these administrators?

THE PRESIDENT: That is right.

Q Did you fix the salaries of these administrators at $12,000. with power to appoint an assistant?

THE PRESIDENT: It is only put down that way and then it comes down. I cannot pay them anything until I get an appropriation.

Q Then fixing a salary of $12,000. was just an indication of what you thought the job was worth?

THE PRESIDENT: Yes. But, as you know, on all budget estimates for salary they very often change it. You will remember that they cut Harry Hopkins in one House and then restored it.

Q I think it was Mr. Hopkins over in the House who said that there was nothing in the bill that required Senate confirmation like the administrator? Did you consider that they required it?

THE PRESIDENT: Oh, I had just as soon. There isn't that old clause that requires confirmation on various people getting $5,000. and over?

Q Yes.

THE PRESIDENT: If that clause applies, then these people would have to be confirmed.

Q Since Federal Housing is not a lending agency, why did you put it in with the lending agencies?

THE PRESIDENT: Isn't it a lending agency?

Q Sure, but they do not lend.

THE PRESIDENT: It is a sort of close definition. They guarantee something.

Q I am not quite clear about how you intend to handle personnel. You have brought personnel management into the Executive, and you have mentioned that certain laws prohibit you from doing certain things and you handle that with six Administrative Assistants --

THE PRESIDENT: (interposing) Merely a liaison. I have something to take up with the Civil Service Commission and then with the individual department, "B", and then the budget, "C." Now, the liaison officer will merely do that work for me.

Q You do not become a personnel officer?

THE PRESIDENT: No. That lets me see one person instead of three.

Q Mr. Ambrose Kennedy (Representative Kennedy of Maryland) had an engagement with you which was cancelled. Do you expect to see him sometime soon?

GENERAL WATSON: He was not in town.

Q Will the next Message be on departmental?

THE PRESIDENT: There will be two other major ones. One will be interdepartmental and the other will be intradepartmental. Whichever is ready first will probably go up after I get back next Tuesday. I will put on the finishing touches so that it will go up a week from tomorrow.

Q The reason you are not making a third one is because it will keep Congress too long in session?

THE PRESIDENT: Oh, no. If they go home, then I will put it in the following January.

Q What happens to the heads of the various agencies as they are now constituted after the reorganization?

THE PRESIDENT: They keep right on the way they are. In other words, there is no abolishing of any of these agencies except one or two that are very minor ones. They are just as separate entities as they are today. In the second place, in spite of the things said on the Hill by some people, it does not make anything permanent. There is no permanent department or agency of the Government. The Department of State is no more permanent than the C.C.C. Now, that is actually a fact. They are both created by law, not by the Constitution, and the Congress at any time has the perfect right to abolish the State Department by law or abolish the C.C.C. by law.

At the same time, they have another method: they can simply cut off the appropriations without abolishing the agency. In the case of the State Department or the War Department, any department of the Government or any agency, they can just cut off the appropriation and the thing dies. Every branch of the Government is subject to the action of every session of every Congress. Now, that is perfectly clear.

Q In the several hours that have elapsed since the issuance of your Message, can you tell us anything about any comment that you might have received?

THE PRESIDENT: I have not received any comment except what Steve (Mr. Early) brought in from the ticker.

Q Can you tell us what happens in order to bring about those economies estimated to be between fifteen and twenty million dollars?

THE PRESIDENT: The difficulty is this: There are a great many ways in which it can be done and, unless I gave a complete picture, it would be unfair to print just one or two ways.

Q Can you tell us anything about the interdepartmental plan?

THE PRESIDENT: No; I haven't got it yet.

Q A newspaper said there would be 75,000 new jobs. Have you made any study of the number of jobs it might create?

THE PRESIDENT: I should say on the whole it would create very definitely fewer jobs.

Q You mean fewer than 75,000?

THE PRESIDENT: No. I mean there will be in the long run, after this gets working, fewer people running these different agencies than there are now.

Q At first brush one would think the economies are in that area.

THE PRESIDENT: Yes, and material too, and rent. Rent is quite a large factor.

Q Would it be a logical step, after these agencies are set up, to seek legislation giving them Cabinet rank status?

THE PRESIDENT: No. Forbidden by law.

Q Any idea when the intradepartmental will be along?

THE PRESIDENT: I don't know which will come first. It will be one at the beginning of next week, after I get back, and the other as soon as I can get to it.

Q One of the plans is to consolidate the investigating services of the Treasury Department?

THE PRESIDENT: Yes.

Q When would that come up?

THE PRESIDENT: That would be in the intradepartmental.

Q What happens to the independent boards, like the Home Loan Bank Board and the Social Security Board? Will they continue as policy-making bodies?

THE PRESIDENT: They are in the exempt form classification.

Q Anything about the Labor Board personnel?

THE PRESIDENT: I sent the nomination in, that is all.

Q Tell us what is going to become of Mr. Smith (Mr. Edwin S. Smith, of the National Labor Relations Board), if anything?

THE PRESIDENT: I do not know.

Q Did you reply to Judge Davis' request for retirement as yet?

THE PRESIDENT: Have we got it yet?

MR. EARLY: Yes, sir.

THE PRESIDENT: I have not answered it, have I?

MR. EARLY: No, sir.

Q Will Mr. Davis be named to succeed Mr. Leiserson? He was in to see you today. There was some report he was to succeed Leiserson.

THE PRESIDENT: No.

Q How about reports that Congressman Lewis is being considered?

THE PRESIDENT: He is being considered. That is a good guess; it is all right.

Q Practically in the bag, isn't it, Mr. President?

THE PRESIDENT: Except that I haven't -- I want to put Davey Lewis in there but I haven't had time to speak to him yet, otherwise it is all right.

Q Can you tell us anything about your conference with Mr. Davis (Mr. William H. Davis, of the New York Mediation Board) today?

THE PRESIDENT: We were talking about the investigating people who went abroad this past summer and what they found on the other side and how it compares with the general labor problems over here.

Q Can you tell us anything about your attitude now toward changes in the Wagner Act?

THE PRESIDENT: No.

Q Anything on taxes?

THE PRESIDENT: No, nothing on taxes.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I am going to Hyde Park tomorrow at midnight -- maybe not until Thursday afternoon. I am going up to get a lot of stuff cleaned up and then we will be there until either late Monday night or sometime next Tuesday. I will meet all the social editors of the papers during that period, thank you.

Q Are you going to have us all out when you sit around the radio listening to Chancellor Hitler?

THE PRESIDENT: I will not; it is 6.00 A.M. What do you think? You haven't forgotten that I was a newspaperman once; I am asleep at that time.

For the transcript of a press conference held by William Hassett, White House secretary, at the Nelson House, Poughkeepsie, New York, on April 27, 1939, see pages 485-492 of this volume.

CONFIDENTIAL
Press Conference #543,
In the observation end of the President's
car attached to the Presidential Special Train,
immediately upon leaving Highland~~s~~, New York,
where the President had entrained,
May 2, 1939, 3.00 P.M., E.S.T.

THE PRESIDENT: Squeeze in and sit ye down. Some of you will probably have to sit on the floor, but it is all right. It reminds me, in Albany when we had a joint session of the Legislature, the old Lieutenant Governor Conway would preside the way Jack Garner does in a joint session. He would go up on the rostrum and in would come the Senate of the State of New York. Old Conway would say, "The Senate of the State of New York will take their accustomed places upon the floor." Down in the well they had seats for them. I loved it.

I don't believe I have got any news at all; I have not heard anything.

Q What is the new decoration?

THE PRESIDENT: Phi Beta Kappa.

Q Anything doing tomorrow?

THE PRESIDENT: Just a lot of hangover conferences left over from last week. (Laughter)

Q That is below the belt. (Laughter)

Q Are you going to send any recommendations to the Congress tomorrow on reorganization?

THE PRESIDENT: No, I won't be ready. That is one of the things I am doing probably in the afternoon. By the way, put them down -- I had forgotten it. I think you might have them in for lunch and that gets rid of it. (Speaking to Mr. Kannee) Get hold of the Budget Director and Louis Brownlow and Merriam and Gulick, if they are in town.

It won't go up, I imagine, until Friday at the earliest. Both Houses have to be in session under the law when it is sent in and that will be either Friday or Monday.

Q Will it be intra --

THE PRESIDENT: (interposing) One of the two. I won't know which until after luncheon tomorrow.

Q Have you been receiving any reports from abroad to make any news for us at all?

THE PRESIDENT: Just the usual State Department stuff and I have a pile that thick (indicating). I haven't read them through but I have had the gist telephoned to me.

Q Anything you can tell us about the general looks of the situation?

THE PRESIDENT: No.

Q Have you seen the full text of the Hitler speech yet?

THE PRESIDENT: What?

Q Hitler's speech?

THE PRESIDENT: Only the one that came out in the papers. Probably the State Department is still translating it.

Q It takes a while, I imagine.

THE PRESIDENT: Do you suppose that the text was handed to them, translated into English in Berlin?

Q Yes, sir; one of the stories said it was handed to them in an English translation.

THE PRESIDENT: Was it?

Q Official translation.

Q The English translation was flown to London, I saw in one story.

THE PRESIDENT: Well, the State Department was doing its regular translating from what they had taken down on the verbal stuff. I don't know how much he followed the text. As you know, sometimes I do not stick to the text.

Q You did a pretty good job. (Referring to the President's addresses at the New York World's Fair and also at the dedication of the Rhinebeck Post Office)

Q I think you enjoyed yourself thoroughly.

THE PRESIDENT: It was a nice little party, wasn't it? (Referring to the Rhinebeck dedication)

Q It was splendid and a delightful talk.

Q Stories from Washington yesterday revive the tax revision. It said the Treasury Department had completed a four-point report.

THE PRESIDENT: I don't know. The first I heard of it was on the radio. But I think we ought to be careful in saying these are recommendations from the Treasury Department because I do not think they will be recommendations from the Treasury Department. They will be merely what happens if you do this and what happens if you do that.

Q Can you comment at all on the World's Fair, as you saw it there? (Referring to the New York World's Fair)

THE PRESIDENT: It is a wonderful spectacle. I will tell you, you can say that later on in the summer, after Congress has adjourned, I hope to go there early some morning and at least go around the grounds and see some of the exhibits. I do not believe that I will be able to do it until after Congress has gone home and until after I have gone to the Coast because that is one of the things definitely planned. I have to go to San Francisco sometime. You won't miss that trip.

Q Any plans for a cruise afterwards?

THE PRESIDENT: I have been looking into it.

Q North, south or directly west? (Laughter)

THE PRESIDENT: Just thinking in terms of Hawaii, are you?

Q (Mr. Storm) Yes, sir.

Q Any plans for two or three days in Frisco?

THE PRESIDENT: Two or three days in Frisco? I thought you wanted to go back to Rio?

Q (Mr. Trohan) That is another thing. Yes. (Laughter)

THE PRESIDENT: No, I do not believe I would have time for more than one day in Frisco.

Q Mr. President, I believe it was the Buffalo News that printed a story that you were going to become editor of Stern's paper?

THE PRESIDENT: Editor of the Buffalo News?

Q No, editor of Stern's paper, the New York Evening Post?

THE PRESIDENT: I will give you the answer off the record. If I go with any paper, it is going to be a solvent paper. (Laughter)

Q Would that be 1940, 1944 or 1948? (Laughter)

THE PRESIDENT: Oh, I could carry on both jobs. (Laughter) That will hold Walter (Mr. Trohan).

Q Yes. (Laughter)

Q (Mr. Storm) Mr. President, to see if we can start a political discussion of some sort, will you run for a fourth term?

THE PRESIDENT: No. Really, as a matter of fact, again necessarily off the record, I have only got down to about the seventh. I haven't gone any lower down than that yet, in my own mind. (Laughter)

Q (Mr. O'Donnell) Mr. President, the War Department has created the Department of the Caribbean as an Army base. Was that decision reached as a result of your operations down there during the Naval maneuvers?

THE PRESIDENT: I think it was. However, the general study has not been just going on this year, it has been in the making for two years. You know, in the previous years we had joint Army and Navy operations in Puerto Rico?

Q Yes, sir.

THE PRESIDENT: You see, the net thing is, and it is perfectly all right to say it, that with the air entering into it, it makes the arrangement of bases a more precarious thing than it was before. For example, at Guantanamo Bay in the past, two or three guns up on the headland was enough to protect Guantanamo Bay, or the Port of San Juan, would protect San Juan against any of what might be called raiding squadrons of ships. But, now that the third arm has entered into it, the air, it is necessary to protect them against air attacks.

Q (Mr. Storm) Mr. President, did you see Colonel Lindbergh's -- rather, the statement attributed to him in this morning's paper that this country was five years behind the European nations in air research, that is, in the development of military planes?

THE PRESIDENT: I did not see that. Of course I could not comment on it except off the record. I do not believe he ever said it.

Q He was supposed to have said that to a crowd at a luncheon on the steamer.

THE PRESIDENT: He talked to me about it, again off the record, and he said he did think we were behind in the sense that we did not have sufficient coordination of all the experimental work going on, but I don't believe he ever said a term of years. You cannot describe being behind in terms of years.

I think I said at one of the Press Conferences, for example, that on the research into the infantile paralysis bug, one reason the National Foundation was organized was because there were about twenty-eight different laboratories in this country that were trying to find the infantile paralysis germ and the flu germ. They are first cousins and probably the same identical experiment was going on in half of them at the same time. Of course it is perfectly silly to duplicate experimental work. Now we have all twenty-eight in one room and when one particular experiment is going to be started, all the other twenty-seven know about it, and they do not duplicate that one experiment. That is the same thing with the development and engineering and design of aircraft and aircraft engines.

We had the same thing in the war on the anti-submarine listening devices. We put them all in one shop, longhaired scientists, and we saw to it that no two scientists did exactly the same experiment. It would have been a waste of time. At the end of six months we had two different listening devices that were far better than anything we had before.

Q How much is available for research in the air now?

THE PRESIDENT: I do not know. They have that National Aeronautics Advisory Committee.

Q They were cut down by the House and the attempt was to have it restored by the Senate in conference. That is the question now.

THE PRESIDENT: Yes. Of course that does not necessarily have to be done by spending a lot of Government money but, if you have one board that knows what every firm is doing in the country and that supplies information, you are all right.

Q In the matter of taxes, Mr. President, isn't that whole effort likely to get down to a simple resolution extending existing business taxes?

THE PRESIDENT: Business taxes?

Q Yes.

THE PRESIDENT: You mean nuisance taxes?

Q The whole corporate tax structure. I mean, there has been so much talked about reducing this and readjusting that. Isn't it likely to get down to a resolution extending what we have (now) for next year?

THE PRESIDENT: The minimum would be to extend the nuisance taxes and extend the other expiring thing. That would be the minimum. Whether they would put more on, I have no idea.

Q The whole thing expires?

THE PRESIDENT: Part of it does expire.

Q Some of them expire, I think, the end of June.

Q Those are the nuisance taxes and the corporate structure in December.

THE PRESIDENT: Yes.

Q Have you selected a District Judge for Ohio? I have a message that Robert M. Wilkin had been tentatively chosen?

THE PRESIDENT: I haven't a single recommendation that has not gone to the Senate.

Q It says that Attorney General Murphy and Senator Donahey have agreed on this man Wilkin?

THE PRESIDENT: I have not even heard of him, but don't say so.

Q Have you had any further word from London as to whether the King and Queen are going to make their scheduled trip?

THE PRESIDENT: Oh, I suppose they are.

Q In your letter to Judge Davis the other day, my boss was curious about the fact that the letter was dated the twenty-ninth but accepted the resignation effective April fifteenth; in other words, two weeks retroactively?

THE PRESIDENT: Well, I cannot answer except informally and off the record. I think that we lost the letter in the office. I may have stuck it in the bottom of my desk. In other words, I thought it was all done, all accepted.

Q He was not sitting?

THE PRESIDENT: He may have been. In other words, if he was sitting, it was a perfectly good sit.

I think we will have a fairly quiet time until the Nicaraguan.

Q He arrives Friday?

Q You will turn the town upside down for that military parade and go down to the station?

THE PRESIDENT: Yes. You see, that is the first head of an American republic that we have had in Washington.

Q Did we ever have one?

Q The President of Brazil.

Q We had one president of a Latin American republic.

Q I think it was the President of Panama.

THE PRESIDENT: Did we really?

Q We had Batista (of Cuba), which is just as good.

Q And the King of Siam.

THE PRESIDENT: He went to the White House, did he not?

Q Yes.

THE PRESIDENT: Did he stay there?

Q I do not think he did.

Q I think they turned the Anderson home over to him.

THE PRESIDENT: This is off the record entirely. Did you ever hear the story about old Gus (Gennerich, a former bodyguard of the President, who died in service)? When I was Governor (of the State of New York) the King and Queen of Siam went from Washington to Mrs. Whitelaw Reid's place at White Plains. I drove down from Hyde Park with the Missus and Gus to call on him. I walked in on Gus's arm, in this great big library, a huge room, bigger than the library at Hyde Park, with more books, a higher ceiling, a bigger room in every way. There were the King and Queen and the Queen's mother. The Queen was under twenty-five and I don't believe the mother was more than forty and very attractive. So I sat down -- there were three sofas and I sat down on one sofa and talked with the King, and the Missus sat down on another sofa and talked with the Queen and Gus sits down on the third sofa and talks with the Queen's mother.

They all speak English and in a lull in the conversation I hear the Queen's mother say to Gus, "Captain," -- I do not know how he got the title -- "Captain, isn't this a wonderful lot of books?"

"Yes, yes," says Gus, "but you ought to see the Governor's library. Why, it is twice as big as this room and has twice as many books." So the Queen's mother says, "Has he, really? Oh, it must have been wonderful to have read so many books as this." And Gus says, "Say, the Governor has read every book he owns." (Laughter)

Well, I think everything is all quiet. I don't think we will have much except the President of Nicaragua.

Q How do you pronounce his name, S~~a~~omoza?

THE PRESIDENT: S~~a~~omoza.

Q Do you have any plans to come back to Hyde Park before the British King and Queen --

THE PRESIDENT: (interposing) Oh, I may run up about the twenty-fifth of this month, just for the week end.

Q Decoration Day week end?

THE PRESIDENT: I do not know when the week ends come, George (Mr. Durno). About the twenty-seventh or twenty-eighth.

Q Decoration Day comes on a Tuesday.

THE PRESIDENT: I will probably be up that week end. That will be about right.

MR. STORM: Thank you, sir.

CONFIDENTIAL
Press Conference #544,
Executive Offices of the White House,
May 9, 1939, 4.05 P.M.

THE PRESIDENT: In the family, I have got a new one for Russ (Mr. Young) when the King and Queen (of England) get here. They will be in the first carriage, the Secret Service in the next carriage, and then I am putting Russ in the third carriage so he can really see them. He will be all alone and it will have a sign on it, "Dean."

Q In big gold letters?

Q What is this?

THE PRESIDENT: You ask him about it afterwards.

I have the damndest sinus. It is not sinus, I do not know what it is. It is not cold. It is just an inflammation where the nose ought to have a free passage but it hasn't

Q There is a lot of pollen flying around.

THE PRESIDENT: You know it may be -- it may have something to do with hay fever or rose cold.

Q You never had it before?

THE PRESIDENT: It is just Washington climate. You don't dare print it, so it is all right.

Q I would lose my job.

Q When are we going back (to Hyde Park)? Will you wait until Decoration Day?

THE PRESIDENT: Yes, I think so; that week end.

MR. DONALDSON: All in.

THE PRESIDENT: They are asking me when I am going back to Hyde Park and I said I hoped to get back the Sunday before Decoration Day.

Sunday the twenty-eighth, I think it is.

Q What can you tell us about your conference with the coal negotiators today?

THE PRESIDENT: Well, I emphasized the fact that the public good demands from the gentlemen who were here that coal mining be resumed at once. I told them -- I asked them to consider that they were not only operators --

Q (interposing) Will you please speak a little louder, Mr. President?

THE PRESIDENT: I suggested to them that they consider not only that they are operators and represent miners but that, first and foremost above that, they are American citizens. That is the first consideration. I asked them to sit continously and I asked them to bring in some method by which the resumption of coal mining would take place and to bring it to me by tomorrow night.

We discussed the matters at issue and, speaking broadly, they seem to be these: Every point that was brought up on March fourteenth, including wages and hours and working conditions, they are substantially in agreement on. Furthermore, they are in -- and that is not an issue. Wages is not an issue today.

On the other point, all ten of them, operators and United Mine Workers, indicated that they are willing to go along on the principle of the vertical union and the recognition of the United Mine Workers as that vertical union for the purpose of collective bargaining. Now, that is the principle that they are agreed on and they have not been able to work out the details to carry that into effect.

That is what I have asked them to go back and try to solve.

Their objective is the same, and it is a very interesting fact. That is the objective. Now, there are various things, half a dozen things, when you come down to the details in carrying out that objective. They are agreed on the objective and there is no use my going into the details, because that is up to them.

Q Are they coming back tomorrow, Mr. President?

THE PRESIDENT: We did not discuss that at all.

Q But they are to get this plan to you in one way or another, through secretaries or --

THE PRESIDENT: (interposing) Yes, and get the mining and coal started up again, right away quick.

Q Are they agreed on that?

THE PRESIDENT: They agreed to try.

Q And if they should fail, sir, are you looking that far ahead?

THE PRESIDENT: No.

Q Did you receive a telegram from Joe Ozanic, who is president of the Progressive Mine Workers, which is the rival of the United, asking permission to take part in these negotiations?

THE PRESIDENT: I haven't the faintest idea.

Q He announced he had sent you one.

THE PRESIDENT: I have had several hundred telegrams from several hundred people.

Q In view of the vote for farm parity payments without raising taxes, Mr. Morgenthau said he was disturbed by these steadily increasing deficits?

THE PRESIDENT: So am I.

Q Do you intend to ask Congress to raise new taxes?

THE PRESIDENT: In the first place, the bill has not gone through, therefore we do not discuss it and, in the second place, all I need do is to reiterate that I was promised last year that that $200,000,000. would be made up in taxes and it has not been, and this year the Senate added $371,000,000.

Q That is what I am speaking about.

THE PRESIDENT: That is exactly the point. The first question is what the Congress is going to do about it. They know my position very clearly.

Q Who made the promise?

THE PRESIDENT: The leaders.

Q It was in a resolution.

THE PRESIDENT: Yes, it was in a Senate Resolution.

Q In that connection, this general tax revision program which would come up, that would be a factor?

THE PRESIDENT: Of course it would.

Q Would you veto the bill?

THE PRESIDENT: You know I never answer questions of that kind. We are talking about principles, not what I am going to do at some distant date.

Q Senator Barkley was one of those who voted to increase it and he was one of the leaders who assured you --

THE PRESIDENT: (interposing) I am simply telling you what the situation is. $225,000,000. last year and now $371,000,000. Where do we go? I am asking.

Q You feel new taxes should be levied to make up for it?

THE PRESIDENT: I have told you the whole story. Where do we go? I did not get the $225,000,000. I was promised and now they have made the situation worse. Go and ask them.

Q Mr. President, are you satisfied with the agreement worked out with Senator Tydings on the Philippine situation? The legislative --

THE PRESIDENT: (interposing) We had an extremely harmonious and, I think, a unanimous agreement with all five Senators. The problem, as you know, is not a political one in any way -- purely an economic one. Everybody agreed to the thought that this Congress should pass that portion of the agreed-on legislation which goes up to the Fourth of July, 1946, and therefore takes care of that portion of the total. And they agreed to do it at this session because, if we do not, it will be too late next session to have the Philippines and ourselves prepare in time for a change in the old Tydings-McDuffie Act next November, and therefore it is very desirable to do it at this session.

Q Mr. President, do you approve of R.F.C. loans to enable factories to move from one part of the country to another?

THE PRESIDENT: No, I do not. That, I think, is all ironed out; at least Mr. Jones said it was being ironed out.

Q Is the Wagner Act an issue in the coal negotiations?

THE PRESIDENT: That is one of the factors but it is one of those "iffy" factors. In other words, if the National Labor Relations Board should decide one way, it would have an influence on the future. But the question is as to whether it is of immediate concern in getting coal mined physically.

Q Does the issue of craft unions enter into the vertical territory?

THE PRESIDENT: Yes.

Q Do you suggest that mining should be resumed regardless of whether --

THE PRESIDENT: (interposing) I have told you all there was on that. I did not put it that way.

Q Is the abolition of the Coal Commission involved?

THE PRESIDENT: No, not at all. It is purely a mechanical procedure.

Q Is the question of minimum prices involved?

THE PRESIDENT: No.

Q I understand the Commission (the Coal Commission) is preparing a new schedule of minimum prices and the negotiations hinge to some extent on that?

THE PRESIDENT: I don't think the resumption of coal mining this week hinges on any contingent future thing. It hinges on existing facts.

MR. STORM: Thank you, Mr. President.

Q Are you considering Mr. Sayre to succeed McNutt as Commissioner?

THE PRESIDENT: I am not considering anybody for anything.

Q How about the Third Circuit Court of Appeals?

THE PRESIDENT: I am not considering anything. I have no recommendations.

Q If the coal conferees fail to come through, what would you --

THE PRESIDENT: (interposing) That is what Fred (Mr. Storm) asked.

Q Would you have them come down again?

THE PRESIDENT: That is what Fred asked -- "What happens if something." That is hypothetical -- "if something."

Wait a minute, I was asked to say one thing. I was asked to say that I asked the coal conferees to return to their conference with Mr. Steelman in New York because Steelman is running the thing for the Government. In other words, I am not running it but it is Steelman's job. Make that perfectly clear. I am not taking anybody's job over.

CONFIDENTIAL
Press Conference #545,
Executive Offices of the White House,
May 12, 1939, 10.50 A.M.

(Mr. L. W. Robert and Mr. J. F. T. O'Connor were present at this conference.)

THE PRESIDENT: Good morning.

Q Good morning, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I am going down the river tonight, about nine o'clock, and getting back Sunday evening. I don't think there is any more news in particular.

Somebody said they were going to ask about beef for the Navy. It is a very simple situation. I guess it is brought up, as a practical matter, by an amendment to the Navy Bill in the Senate.

Just about a month ago, or six weeks ago, there came up the question of canned beef and we had a bid for foreign canned beef, delivered with the duty paid, of fifteen cents a pound and the lowest American bid was twenty-three cents a pound.

Now, the Government does try to feed and, I think, succeeds in feeding its personnel, about 110,000 people, with the best food. There was no question, after many tests, that this foreign beef was infinitely superior to American canned beef, besides being eight cents a pound cheaper.

Q It is better?

THE PRESIDENT: Infinitely.

Q Is it Argentine beef?

THE PRESIDENT: Argentine or Uruguay; it does not make any difference.

Of course canned beef does not carry hoof and mouth disease so you have a perfectly square issue there. If the amendment is put on by the Legislative Branch of Government, it means we have to give an inferior article of food to 110,000 men in the Navy at a cost of eight cents a pound more than an infinitely superior article.

Q To return to your trip, did you say who will be with you?

THE PRESIDENT: I do not know yet.

Q Any destination at all or just cruising around?

THE PRESIDENT: Just down.

Q In view of the action of the Senate rejecting the Bankhead cotton subsidy amendment, will the Administration go forward with its cotton subsidy program just the same?

THE PRESIDENT: I cannot tell you because it is still in the legislative process.

Q Getting back to the beef business, the Navy has been buying American beef?

THE PRESIDENT: It has been buying a good deal of foreign beef.

Q Is it always better?

THE PRESIDENT: No question about it. If you go off on a camping trip or fishing trip, buy American canned beef and foreign canned beef and see which you like better.

Q I always get my stuff from a country store and I wouldn't know what to ask about, nor would they have it.

THE PRESIDENT: There is some in this country.

Q I did not know any was available.

THE PRESIDENT: You test out the two, side by side.

Q Why is that so?

THE PRESIDENT: That is a thing we do not know much about. We do not know why, but American cows do not make as good canned beef as some foreign cows.

Q When this issue was up recently about the purchase by the Navy of a certain quantity of canned beef, we understand that you directed a letter to the Secretary indicating your opinion on that question.

THE PRESIDENT: Oh, yes.

Q Will you make that letter available?

THE PRESIDENT: Let me look at it first; I have got it here somewhere.

Q Was this beef packed by American packers?

THE PRESIDENT: That I do not know.

(There was a pause while the President perused some papers.)

Here it is. I think we can make it available. (Reading)

"THE WHITE HOUSE
WASHINGTON

April 13, 1939

"My dear Mr. Secretary:

"Your letter of April 5, 1939, expresses keen interest in an award under consideration by the Navy Department for the supply of 48,000 pounds of canned corned beef, involving bids on Argentine beef in competition with domestic beef. You urge that the award be made to the low bidder on the Argentine corned beef.

"I am impressed with the fact --"

Here is your answer:

"I am impressed with the fact that the price quoted by the Argentine Meat Producers' Cooperative --"

Now, who owns that I do not know.

"is $.157 per pound against the lowest bid on an American product of $.2361. After payment of the

> duty of $.06 per pound on Argentine canned corned beef, the net cost to the Government would be about $.097 per pound."

In other words, the net cost to the Government, after the Navy pays the Treasury, which is just out of one pocket into the other. That is, nine cents a pound against the American price of twenty-three cents a pound.

> "It is also of moment that at the present time there is a decided difference in the quality of the Argentine product and that packed by American packers. An examination made of samples of domestic and Argentine corned beef shows that the Argentine product is of greatly superior quality and it is the Navy Department's policy to procure for the enlisted men a high quality of food when it can be obtained at a reasonable cost on a competitive basis.
>
> "Sympathetic as I am with the spirit of the Buy-American Act, these facts compel me to direct the Secretary of the Navy to award the contract for this canned corned beef to the Argentine Meat Producers' Cooperative, the low bidder. Under the circumstances, I feel that by so doing the intent of the Buy-American Act has not been violated.
>
> Very sincerely yours,
>
> FRANKLIN D. ROOSEVELT
>
> The Honorable
> The Secretary of State"

Q Do the objections apply to domestic sugar also?

THE PRESIDENT: No.

Q That is included in this amendment, as I understand it, which requires them to make their purchases of sugar from domestic sources.

THE PRESIDENT: No; this is the first time I have heard of it.

Q Some of us are not familiar with the legislation. Has that been adopted anyway?

THE PRESIDENT: No, I think it is pending.

Q Simply pending?

THE PRESIDENT: Yes.

Q Mr. President, have you had any occasion to discuss this question with any members of Congress in order to try to eliminate that provision from the bill?

THE PRESIDENT: Have I done what?

Q Have you had any occasion to discuss this question with any members of Congress in order to accomplish the elimination of that provision?

THE PRESIDENT: I have not, no. I imagine the Navy has, through Senator Walsh.

Q Mr. President, can you tell us something about your conference with Mr. Doughton and Jere Cooper on the question of taxes?

THE PRESIDENT: It was primarily exploratory and they are talking it over with their committee of the Senate Committee. What is going to happen, I do not know.

Q A few days ago you discussed something at luncheon with Frederick M. Davenport and we failed to ask you about that. Was it career service?

THE PRESIDENT: It is getting on very well. All the departments have appointed their personnel directors, except the War Department, and we are trying to get the War Department to act, but the committees are all going ahead with this study.

Q It is a study which will lead to a report to you?

THE PRESIDENT: Yes. It comes to me and of course they are in touch with Mr. Justice Reed's committee on those special classes.

Q Tell us something about your railroad conference.

THE PRESIDENT: I saw Senator Wheeler yesterday and Clarence Lea and things seem to be in very good shape. In other words, I entirely approve of the objective, the principal objective, without going into details. There are, of course, a number of details, where they approach the objectives in a different way but I think that the differences can very well be straightened out, either in the process of the series of bills going through the two Houses, or else in conference.

Q Will you say whether you favor any revision of the corporate income taxes at this session?

THE PRESIDENT: Of course that brings up the whole question and reminds me in some of the approaches, of what happened last summer when one great newspaper printed half a sentence which I had emitted here in a Press Conference, leaving out the other half. I suppose that is the best illustration I can give of this tax problem.

You have mentioned one thing out of four. In the first place, there has been a lot of loose talk about "deterrent" taxes. Do you smoke cigarettes?

Q Yes.

THE PRESIDENT: Is that tax a deterrent? Unless you have a very large salary, which I hope you have, of course it is a deterrent. Every tax is a deterrent. Taxes on a farm are, in a sense, deterrent. If the farmer paid less taxes on his farm, he would have more money to buy a dress for his wife.

Now, the half of the sentence that is left out by so many people is that "if" part, which says that if we repeal certain parts of the present series of corporation taxes, everybody, every leader on the Hill is agreed and I am agreed that we have got to make it up in some way from corporations as a whole.

Now, that raises the rather interesting question as to whether a lot of these people, who are talking about deterrent corporation taxes, are not deliberately omitting that half of the sentence with the hope that some of these corporation taxes can be repealed and no substitute put through to replace them. So, just in common or garden honesty, ought not we to put that in the lead of the story and then go on and say, "All right, if we do repeal one of these present elements and have to find a substitute, how do we do it?"

All right. Now, there are various ways of doing it and the Treasury is going to present various possible ways of doing it. Fine, we are all agreed.

On the substitutes, the most commonly advocated increase is on the percentage tax, which now runs from 12½% on the little corporations up to about 19% on the big corporations.

Now, suppose, for the sake of argument, that on these so-called deterrent taxes, which are no more deterrent than the taxes on your cigarettes or on the farmer's farm, suppose we repeal them. That means we repeal somewhere between 25% and 30%, in dollars, of the total corporation tax yield; in other words, about -- oh, what? -- $250,000,000. Now, let us be honest and still keep to the lead of the story. If we adopt the theory of spreading that $250,000,000. as additions to the percentage tax on a straight percentage basis, you are going to have the most terrible squawk, you are going to have a revolution from the little corporations of the United States and, in rough figures, out of 200,000 corporations about 160,000 are making less then $10,000. a year.

Do you think, as a matter of practical politics, that the Congress of the United States is going to put an increase on the little corporations, 160,000 of them, who are making less than $10,000. a year? No.

Do you think the Congress of the United States would dare to put a very large increase on what might be called medium size corporations, the companies that are making from $10,000. up to $50,000. or $100,000. a year? No.

Now, what is the net result? The net result is that this $250,000,000. that I am talking about, it would have to be raised to replace the other taxes that are repealed, would almost, as a matter of necessity, have to come out of the pockets of the very small number of very large corporations and there you will get the most awful squawk.

Now, those figures have all got to be considered by the committees and the Congress. In other words, they will be getting the whole picture, the whole sentence instead of the half sentence that has been used by some of the humorists.

Q Did you say a moment ago that the Treasury would present the alternatives or substitutes?

THE PRESIDENT: Yes, as taxes of corporations, Fred (Essary).

Q In other words, then, the Treasury has not been told that no revisions will be recommended by the Government?

THE PRESIDENT: They simply will be placed before the committees, perfectly properly, as suggestions that have been made but not necessarily with the recommendation that this, that or the other be done because that would mean that the Treasury would have to say, "You go ahead, Gentlemen of the Congress, and tax all of the little corporations," or, "You go ahead, Gentlemen of the Congress, and put all these taxes only on the big corporations." We are leaving that question to the Congress.

And then, of course, we have to bear in mind, because, as T. R. said to Brother Harriman, "we are practical men," -- we have to bear in mind the general thought that a great many of the people who are advocating repeal of some of these things want, at the same time, to repeal certain restrictions that have been placed on them. The simple example, as I have used it before, is this question of eliminating entirely the undistributed profits tax. There was a very definite reason behind that two years ago, and that was to prevent a closely held corporation, owned by comparatively rich men, whose personal income taxes were in the upper brackets, to prevent them from continuing the practice of leaving their profits in the paper -- I mean the company (laughter) -- without paying income taxes on them, thereby increasing their wealth year by year without the Government getting any tax on that increase until they died. Of course the Government would then get certain inheritance taxes, it is true, if there were distribution but, of course, the inheritance taxes are nothing like as high as the upper brackets of the personal income taxes.

Now, the question will be presented to the Congress that if there is no undistributed profits tax, there ought to be found some other way of preventing that form of legal tax evasion. So that is the other half of that sentence.

Q You say that is going to be presented to the Congress. Do you mean that actually --

THE PRESIDENT: (interposing) If we are asked about it. If the Congress says to us that one of the suggestions has been made that the undistributed profits tax be eliminated, that business wants it eliminated and thinks it is a deterrent, we will say, "All right, gentlemen, if you want to do it, it is perfectly all right with us, so long as you do two things: One is to return in the form of some other tax the same amount of money to the Government, and the other is, provided you find some method of preventing the closely held corporations from being used for legal tax evasion purposes." That is sort of words of one syllable.

Q In other words, you have the same opinion about undistributed profits taxes as you had when you first discussed it with this Press Conference?

THE PRESIDENT: Earl (Mr. Godwin), I am talking about this one phase of it only. I am willing to have this undistributed profits tax repealed providing we find some other method of preventing tax evasion. You are just as familiar as I am with the incidents.

MR. YOUNG: Thank you, sir.

Q Is there anything on the coal situation?

THE PRESIDENT: No, I know nothing except the general fact that has been printed in the papers and, on the details, you can get them from Steelman.

I was asked at various times about Puerto Rico. I am planning, some time this summer, I am not telling you the date, to send the name of Admiral Leahy to the Senate as Governor of Puerto Rico to succeed General Blanton Winship. Admiral Leahy won't go down there until after the Congress has adjourned, sometime in the course of the summer.

Q Will there be a nomination for the Third Circuit Court?

THE PRESIDENT: No, I have not taken it up.

Q Are you planning a trip to Asheville to see Mac (Mr. McIntyre)?

THE PRESIDENT: No. I will tell you about that later because I have not any plans yet. I will go as soon as I can.

Q Admiral Leahy retires about the thirtieth of July or August?

THE PRESIDENT: Somewhere in there, yes.

CONFIDENTIAL
Press Conference #546,
Executive Offices of the White House,
May 16, 1939, 4.22 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news.

Q Mr. President, the United Mine Workers from Harlan County, Kentucky, are reported to have sent you a telegram protesting the use of troops in the coal regions. Have you received it, sir?

THE PRESIDENT: Not that I know of.

MR. EARLY: Not received here.

Q There seems to be an idea in the West that you have impugned the honor of the American cow. Would you care to -- (Laughter)

THE PRESIDENT: I have cast no aspersions on the virtue of the American cow or the valor of the American bull. (Laughter)

Q May we quote that?

THE PRESIDENT: Steve, can we quote? (Turning to Mr. Early but not waiting for an answer.) No, Steve says, "No." You had better not. (Laughter) No. I would be the first to arise to the defense of American cattle. In other words, this whole question is a question of a certain kind of beef that comes in a can and the fact is that we, in this country, do not seem to use our highest grade beef for this canned corned beef, as the other people do. All of the higher grades of our beef are sold at relatively high prices in the fresh meat market, because we have a very large fresh meat market, and the other grades in this country are used principally in ground meat products. I believe there is some of it goes into another kind called a "hot dog" and that occasionally these other grades are used principally to fill Government orders for canned corned beef. But, in South America, there is a different situation because they have not got enough market for the good grades, the good cuts of beef, fresh beef, and so they use the good cuts down there for corning and canning. They have a surplus of that. There is a difference in the economic conditions.

Q Mr. President, don't you have Navy specifications that govern both foreign and domestic beef?

THE PRESIDENT: I don't know. We try to buy the best there is.

Q Navy specifications covering corned beef --

THE PRESIDENT: (interposing) I could not tell you.

Q The surplus that they have is due to the prohibition in this country --

THE PRESIDENT: (interposing) We cannot take any here. That is under the law.

Q We would not have a surplus --

THE PRESIDENT: That is under the law.

Q Could you tell us from what report you were reading there?

THE PRESIDENT: What?

Q Were you reading from a report on the situation?

THE PRESIDENT: Yes, it is in the files. (Laughter)

Q Can you tell us what is holding up the appointment of the Collector and Marshal of Massachusetts?

THE PRESIDENT: I haven't the faintest idea; ask the Attorney General.

Q On the question of beef, some of us, after the statement last Friday, asked the War Department if they bought foreign beef and the answer was, "No." Do you feel, sir, that the same principle should apply in both branches of the service as to the purchase of foreign beef?

THE PRESIDENT: I haven't the faintest idea. Do they use canned corned beef?

Q They use it but they say they purchase only from domestic packers.

THE PRESIDENT: I don't know; I will have to ask the General (General Watson) to find out.

GENERAL WATSON: We buy Australian beef in the Philippines.

THE PRESIDENT: We buy Australian beef in the Philippines; I don't think that is any answer but it is perfectly good for the occasion. (Laughter)

Q Mr. President, in a recent Press Conference you said you had no objection to the complete elimination of the undistributed profits tax, provided similar safeguards against tax avoidance were obtained under the law?

THE PRESIDENT: And, of course, the other proviso that any money loss is made up from some other form of corporation payments.

Q Do you think Section 102 -- I think that was discussed -- has those safeguards?

THE PRESIDENT: Isn't it Section 82?

Q I think it is 102.

THE PRESIDENT: That is a question we are talking over in a perfectly friendly way. There are two opinions. One is that it would be a safeguard and the other is that it has been on the books for a year and has not been a safeguard, it is almost impossible to administer. That is one school of thought.

Q Would you mind saying where you are on the question?

THE PRESIDENT: We are discussing it in a perfectly friendly way. Whether that is the right safeguard or not we do not know yet.

Q There have been reports in the press that you would be disposed to propose an international economic conference if the international situation seemed propitious?

THE PRESIDENT: I read it in the newspapers and it was the first intimation I had, but it is all right.

Q Do you know whether or not the Virginia Senators are favorable to the appointment of Dean Dobie?

THE PRESIDENT: Steve told me there was something on the ticker that Senator Byrd's office had said O. K. and that his office also spoke for Senator Glass's office. That was on the ticker.

Q Did the White House notify either Senator that this appointment would be made?

THE PRESIDENT: Yes, Steve notified both offices this morning about 11.30. (Laughter)

Q Mr. President, do you have anything more to say on the tax conference yesterday?

THE PRESIDENT: No, except that we are making progress.

Q When will the next be held?

THE PRESIDENT: I suppose the next will be held as soon as the two gentlemen from the House, Mr. Doughton and Mr. Cooper, have talked it over with the members of their committee where, of course, any tax bill has to originate.

Q Is there anything you can tell us about the visit of King George and Queen Elizabeth? Mrs. Roosevelt said that she has been told by Scotland Yard not to discuss it. Did you have any prohibitions like that?

THE PRESIDENT: I don't know.

Q Will the next conference --

THE PRESIDENT: (interposing) I suppose Pat Harrison will come down too and continue to talk about it.

Q Have you given any consideration to new taxes to take care of deficiencies left by the farm parity payments?

THE PRESIDENT: No.

Q What do you propose to do about the dirigible question? The House seems to want to build a bigger one.

THE PRESIDENT: Well, there is a very simple proposition on that. A year ago we talked it over very carefully in the Navy, and the Secretary and I decided not to recommend building any dirigible.

The House, with the concurrence of the Senate, put in an appropriation which left it to my discretion to build one at a cost of not to exceed $3,000,000., which would mean about a 700-foot ship. After the bill went through and was signed, I talked it over and we agreed, Operations and the Secretary and I, that we ought not to build one of the bigger ships -- having lost three of them -- but that we could experiment with a smaller type of ship that would be useful for coast patrol purposes. In other words, it would be a ship about 300 or 350 feet long, about half the size and with a third of the volume of gas, and costing about $1,000,000 instead of $3,000,000, and not a ship that would be used for crossing the ocean but a ship that could patrol against surface vessels and submarines, et cetera, staying off shore a couple of hundred miles and staying there three or four days.

The bids were asked for on that basis. One of the companies put in a bid on that basis and an alternative bid for a full-sized, $3,000,000., 700-foot ship and said that -- this came from the Bureau of Aeronautics -- that they considered this (larger ship) a safer ship than the smaller one. In other words, they cast doubt on the safety of the smaller ship and, therefore, I have told the Secretary of the Navy that, in my judgment, we don't want the bigger ship, and doubt having been cast on the safety of the smaller ship, therefore we had better not build any.

Q Are you planning to intervene in the Harlan, Kentucky, strike situation?

THE PRESIDENT: No.

Q Mr. President, the Department of Agriculture has launched its Federal stamp plan for surplus food in Rochester. Do you have any comment?

THE PRESIDENT: I hope it will work. It is an interesting experiment.

Q Do you care to comment on the use of the National Guard in the Harlan County matter?

THE PRESIDENT: I don't think so. That is primarily up to the Governor of Kentucky.

Q Mr. President, can you tell us what is holding up the Judicial appointments in California?

THE PRESIDENT: I do not know; you had better ask Frank (the Attorney General). I have not heard about it for several weeks.

Q At your next conference on taxes will they present any concrete proposals?

THE PRESIDENT: I don't know, Pete (Brandt). We talked about, I suppose, fifteen or twenty different things and I suppose we will continue to discuss most of the fifteen or twenty different things.

Q Is it up to them to present the program or will you approve it before it is sent up?

THE PRESIDENT: I have not the faintest idea. In other words, they are going to talk things over. There is nothing you can say about it. They will let me know and then they will come down here and have some more discussions.

Q Is it in the nature of a filibuster?

THE PRESIDENT: Not a bit.

Q Do you know the percentage and the total amount of canned corned beef that is consumed in the United States that comes from abroad?

THE PRESIDENT: No. What is the percentage, also, compared with the total percentage of beef consumed? In other words, to come right down to it, we are not a canned beef eating nation. That is the simplest way of putting it. Have any of you people eaten canned beef in the last year -- knowingly?

Q (chorus) Yes. (Laughter)

Q What was the rest of that statement?

THE PRESIDENT: I said, "knowingly."

Q Canned beef?

THE PRESIDENT: Canned corned beef.

Q Canned corned beef hash?

THE PRESIDENT: That is not canned corned beef. It is corned beef hash. I always eat it out of a can because it is a lot better than I can get from the cook . That is a different product.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #547,
Executive Offices of the White House,
May 19, 1939, 10.50 A.M.

Q Good morning.

THE PRESIDENT: Good morning. I think you ought to send all the doctors' bills to Russell (Mr. Young). (Referring to the hang-overs following the annual convocation of the J. Russell Young School of Expression.)

Q (Mr. Young) I gave them the liquor cheap.

THE PRESIDENT: Don't you think it is a good idea?

Q (Mr. Young) I am against that.

MR. EARLY: We will have nurses from now on.

Q Doc McIntire helped in that.

THE PRESIDENT: I hear it was a good party.

Q Very good, fine.

THE PRESIDENT: Before we get through here we ought to have one party on the campus.

Q (Mr. Young) That would be fine.

Q (Mr. Godwin) Then we would have George Fox right close at hand.

Q (Mr. Young) Young Franklin did well the other night.

MR. DONALDSON: All in.

THE PRESIDENT: Well, what have you got on your chests?

Q What are your plans for the week end, sir?

THE PRESIDENT: Going down the river tomorrow or, rather, going over to Annapolis lunch time and back Sunday afternoon, late.

Q Mr. President, who will be with you?

THE PRESIDENT: I don't know yet.

Q Will the King be asked to attend one of these Press Conferences? I see by the press announcement that that is not scheduled.

THE PRESIDENT: I do not know anything about it at all.

Q Will you ask him to do that for us?

THE PRESIDENT: Do you think that would be polite to a guest?

Q (Miss Fleeson) It would be a privilege, Mr. President. (Laughter)

THE PRESIDENT: It is open to argument. (Laughter)

Q Mr. President, where did you leave the Griffenhagen report and the errand that Ambrose Kennedy (Representative Ambrose Kennedy) came to see you about? That was on District government. They came away and told us they would take portions of that report and endeavor to get them through. Have you anything to add to that?

THE PRESIDENT: I do not think so. They told me that of course the Griffenhagen report is a very drastic reorganization plan and they felt doubt as to whether they could get the whole thing out and through at this session. We talked over the possibility of improving the District Government in part, in other words, to take certain portions of the Griffenhagen report, which might stand a chance of carrying through without very much discussion, leaving the three District Commissioners as they are and giving authority for a City Administrator under the three District Commissioners, and then starting in on the kind of reorganization that would mean consolidation of a very large number of independent or semi-independent agencies, some of which have not functioned for years. We would abolish them. Then we would put them all together in a much smaller number of departments, a little bit along the line of the two reorganization plans that I sent up to the Congress. I think they said there were 135 of them --

Q (interposing) What, agencies?

THE PRESIDENT: Different kinds of agencies, and consolidate them down to -- I think the Griffenhagen report called for seventeen departments, and I suggested going a little further and putting them possibly into twelve different departments and then making that as this year's step towards improving the Government of the District of Columbia.

Q Did they think that they could get that through the Congress?

THE PRESIDENT: They said they would talk to their committees about it.

Q Sir, did you consider that City Council and the electing features or the appointing features of it?

THE PRESIDENT: Only in the sense that we did not think there was any chance of getting it through or anything like it at this session because that was a major change.

Q Any tax conference scheduled for the coming week?

THE PRESIDENT: I don't think so; not yet.

Q There has been submitted to the Congress the S. E. C. report on investment trusts, which is a pretty sad story all the way through. Are you going to make any recommendation for legislation?

THE PRESIDENT: No.

Q Just going to send the report?

THE PRESIDENT: Yes.

Q Will you omit your Press Conference on the Friday that the King and

Queen are here?

THE PRESIDENT: No; I will have it.

Q Has your attention been called to a plan which would involve taking $1,500,000,000. from the stabilization fund for the purpose of making revolving loans to railroads for the purchase of equipment and advancing of credit activities?

THE PRESIDENT: Taking it from the stabilization fund?

Q Yes.

THE PRESIDENT: No, I never heard of it. I am "agin" it. I am "agin" monkeying with the stabilization fund.

Q Any plan to finance railway equipment?

THE PRESIDENT: I would not say any definite plan because it is under discussion right along.

Q Is the Argentine beef question settled?

THE PRESIDENT: No, I do not believe so.

Q What is the next move?

THE PRESIDENT: I do not know.

Q Any chance --

THE PRESIDENT: (interposing) Improve the brand and lower the price. (Laughter)

Q That is domestic beef?

THE PRESIDENT: Yes.

Q Is there any chance that you would veto that Navy bill?

THE PRESIDENT: I do not know; I have not read it yet.

Q Mr. President, would you sign a bill that would bar Grover Bergdoll from returning to this country?

THE PRESIDENT: No, I could not tell you that.

Q To come back to the stabilization fund thing, there have also been stories that there was a plan under way for the taking of about $1,500,000,000. out of that and using it either to loan or guarantee loans for housing. Is there anything of that sort or any plan to get the money any other place?

THE PRESIDENT: I have not heard of any attacks on the stabilization fund.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #548,
Executive Offices of the White House,
May 23, 1939, 4.09 P.M.

Q How do you do, Mr. President?

THE PRESIDENT: Well, how are you? Did you hear me on the air?

Q (Mr. Young) He (referring to Mr. Godwin) says, "God bless you."

THE PRESIDENT: He did. The point is, he means it. A lot of you might say it and not mean it, but he does.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news today except the news of the submarine, as to which you are being kept informed as every development goes on. We are getting all the possible equipment and personnel up there and I think that you have everything up to the minute. The radio room of operations is in touch with me all the time.

Q What is your death list -- what is the latest?

THE PRESIDENT: No death list. They are all all right on board so far. All we can say is that we are hopeful, definitely hopeful.

Q As a former Assistant Secretary of the Navy, what can you give as a guide? How do you feel about it now as to the possibility of getting them out of there?

THE PRESIDENT: I say definitely hopeful.

Q Why can't they use those lungs, Mr. President?

THE PRESIDENT: Because it is safer for human life to bring the whole ship to the surface. In other words, the lungs would only be used as a last emergency.

Q Mr. President, have you concluded --

THE PRESIDENT: (interposing) You understand that the commanding officer on board -- of course they have been in communication with him -- he tells us that the best chance for everybody is to get divers down and close the valve because, if divers can be got down and the valve can be closed, and if they can get compressed air down there and blow the water out of the ship, then the whole ship can come to the surface, which is the best thing that they can do, first.

Q We have had conflicting reports on the depth.

THE PRESIDENT: 240 feet, I understand.

Q When President Somoza was here, the Government clerks were let out to review the procession. Will it be done when the King and Queen arrive?

THE PRESIDENT: I think so.

Q I have a question which may sound facetious -- I do not intend it to be asked that way --

THE PRESIDENT: (interposing) I know what is coming now.

Q -- has any thought been given to the wine you are going to give to the King?

THE PRESIDENT: No; I haven't got that far yet.

Q Are you thinking of returning the royal visit?

THE PRESIDENT: No.

Q Mr. President, on the fourth page of your manuscript of your speech here, there is a statement I have been asked to make a query about. "The cost of the regular departments of Government," where you spoke of the billion dollars and said that it was less, I think, than your predecessor. We do not recall the figures on that. Do you have them in mind?

THE PRESIDENT: I could not tell you the exact figures, but for the same functions, we are performing the same functions for less money than when I arrived on the scene. You remember, we made an immediate cut that spring of 1933, a scale cut on the regular departments.

Q What was that, ten per cent?

THE PRESIDENT: It was ten per cent of salaries but ran a great deal more on the total expenditures of the regular departments, and that cut has not yet been wiped out. We are still under, for the same functions. Of course it is not fair or quite honorable to merely take totals because, in many cases, we have added new functions. That is a different thing.

Q That evidently was the confusing element.

THE PRESIDENT: It is not honest to say that you can add new functions and bring it out as a greater expenditure. Of course we have added a great many new functions. That is a different thing. Congress has done that. But, for the same functions, we are spending less money; we are more efficient.

Q Mr. Jones, of the House Agricultural Committee, said on the floor of the House that he was opposed to taxing to raise this money for the so-called farm parity payments, unless taxes were passed to raise money for the Navy and all other large expenditures. Could you give us your views on that?

THE PRESIDENT: There is nothing new in particular, except there was an agreement by, what was it? joint resolution, or something, to make up that particular increase.

Q But their attitude now is that they are not going to tax to raise money for Agriculture unless they tax to raise money for Navy.

THE PRESIDENT: Well, they are the appropriating body and they are the taxing body. I am simply calling attention to what they said formally by joint resolution.

Q There is nothing you can do if they choose not to give you the tax?

THE PRESIDENT: No; I have not got the taxing power.

Q I am happy to say that my reading public is very happy over the reappointment of George Allen.

THE PRESIDENT: Good.

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Q Anything to add as to what he will do?

THE PRESIDENT: No; I hope he will be able to stay a long time.

Q [Adolf] Adolph Berle testified today (before the Monopoly Committee) urging the establishment of Government-sponsored independent banks, comparable to the Federal Reserve Bank, for making loans for construction purposes. How far has that gone?

THE PRESIDENT: There was some talk, but the last I heard was a couple of months ago. I cannot comment on what Adol~~ph~~f said unless I see the whole thing.

Q Nothing immediate?

THE PRESIDENT: No.

Q In that same connection, Senator Mead has introduced two bills up in the Senate, with which you are undoubtedly familiar, providing for Government insurance of loans by the Reconstruction Finance Corporation, through the banks, for loans to small industries. That is said, sometimes, to be Administration sponsored or endorsed, and sometimes not.

THE PRESIDENT: Not a thing on that. I know only the facts that you have stated. I have not even discussed it with anybody.

Q How long will Allen stay in the Commissionership?

THE PRESIDENT: As long as he likes to.

Q Have you decided on the itinerary for your trip to California?

THE PRESIDENT: No, nor the date as yet.

Q Do you plan to go to Alaska?

THE PRESIDENT: I haven't the faintest idea, Fred (Storm); I would like to see the Inside Passage.

Q With respect to your answer to a question a moment ago about returning the royal visit, do you mean, sir, that you are not thinking about it, or would not go?

THE PRESIDENT: I never heard of it until I read it in the paper. I am not thinking about it and do not expect to.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #549,
Executive Offices of the White House,
May 26, 1939, 10.45 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning. Well, you are going to have plenty of time for golf this week end (referring to Hyde Park).

Q (Mr. Storm) Grand. I have a little appointment with you tomorrow morning, though, Mr. President.

THE PRESIDENT: Yes.

Q Will it be exceptionally quiet, sir?

THE PRESIDENT: Absolutely; not a thing. (To several members of the Press who were looking at his schedule for the day:) That is not a bad schedule.

Q What are you going to do with Elder Michaux?

THE PRESIDENT: I do not know. He is your friend; I am going to ask him about your behavior. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news this morning; there are no appointments in view. We are leaving tonight at midnight and coming back Tuesday afternoon.

The only thing I have been able to dig up is that I am sending a letter to the Chairmen of the Military Affairs Committees of the House and Senate in regard to the report of the New York Power Authority, which is a very interesting report because it is something -- because it is a rather new approach to the question of future power development. I will have Steve (Mr. Early) give you copies of this little summary, just to help you.

(Reading)

"The Trustees of the Power Authority have presented to the President a copy of their 8th Annual Report to the Governor and Legislature of the State of New York.

"The report suggests a new line of approach to the problem of finding a workable basis for coordination of government power enterprises with private power systems, with full protection for the interests of both consumers and investors. The plan would, of course, ensure the benefits of coordination to municipal as well as private distribution systems.

"It is possible that the Power Authority's proposals may prove --"

This is not any policy. I will emphasize this now. It is nothing that has been decided on. It simply is another step in working out the general power problem, and it is worth studying. It is something for people to be thinking about in a friendly spirit.

" -- may prove an important step toward securing the cooperation of private power interests in reducing the cost of electricity to the consuming public.

"It seems opportune that the Authority's proposal follows so closely upon the annual report of Chairman Groesbeck of Electric Bond & Share. In his report, Mr. Groesbeck suggested that:

"(a) 'the objectives of both government and the utilities must be the widest possible use of electric service at the lowest possible economic cost' ***;

"(b) 'the achievement of this end and the solution of the existing problem of competition lie in co-operation between the government and the privately owned electric utilities and the coordinated use of the existing generating and transmission facilities' ***; and

"(c) 'such a program would go far beyond the direct benefits which should accrue and would be helpful in encouraging general business expansion and increasing employment.'

"The Power Authority's Report is obviously drafted to test the willingness of the private utilities to cooperate with government agencies in a program of expansion in order to make possible the widest possible use of electricity at the lowest possible cost.

"The Power Authority's report contains a comprehensive power plan for the State which includes development of the great waterpower resources still undeveloped in the St. Lawrence and Niagara Rivers and their coordination with existing private systems by a State-wide transmission network. These resources are now being wasted.

"The early development of these resources is a matter of great interest to the nation as well as to the State of New York. Such development would be an important contribution toward eliminating possible power shortages in case of war.

"The first step in the further development of the Niagara River could be undertaken before a new treaty with Canada is made.

"The full advantage of the Authority's proposal for the coordination of the St. Lawrence and Niagara developments could not, of course, be realized before the conclusion of the Treaty. A proposed treaty was submitted a year ago by Secretary Hull to the government of the Dominion of Canada and it is hoped that the final conclusion of the treaty to the satisfaction of both peoples, may occur in the near future."

Well, it's just another step forward, that is all.

Q Mr. President, in your last trip to Canada you spoke of the possibility that the great St. Lawrence Valley may become a private monopoly, if certain things were not done. Has anything happened in that connection since?

THE PRESIDENT: I do not know; you will have to ask Canada.

Q Do you look for this International Cotton Conference to help solve our own domestic cotton problems?

THE PRESIDENT: I hope so; help it but not solve it. Do not use superlatives.

Q In what direction? By agreement on production?

THE PRESIDENT: Again, do not go the whole hog. Towards that end.

Q Have you heard anything about the resignation of Judge Geiger of Milwaukee?

THE PRESIDENT: Yes, it came in yesterday.

Q Have you received from the War and Navy Board a power report on the use of power in war time?

THE PRESIDENT: Not lately. I have not had anything since the preliminary report about two months ago, but they are getting on with it very well. They know what will be needed.

Q Is that resignation (Judge Geiger) automatically accepted?

THE PRESIDENT: I have not acted on it yet. It came in late last night.

MR. YOUNG: Thank you, Mr. President.

Q (Mr. Brandt) No --

THE PRESIDENT: You want something, Pete? (Laughter)

Q (Mr. Brandt) Yes. On this tax program, will it be confined to a continuation of nuisance taxes and corporation taxes, or will it have anything to do with personal taxes?

THE PRESIDENT: I think we had better not go into the details because we are getting along very well up to last night. The principal cause for delay were fool stories that were too specific and were not true and, therefore, it is much better not to go into details at the present time that are under discussion between the committees and the Treasury Department.

Q Mr. President, do you expect to see Mr. Sarabia, who has a letter from Cardenas, of Mexico -- the Mexican flier?

THE PRESIDENT: Not that I know of. I am leaving tonight.

Q Have you any comments on the rescue job the Navy did on the submarine?

THE PRESIDENT: Of course we are very happy that all the preparations that have been made, all the careful training and the working on devices, seem to have worked under very, very difficult conditions because we have had no submarine in recent times that has required rescue work under, as I remember it, before this one, at a depth of much over 150 feet. This submarine went down 240 feet, which is about the extreme limit. In other words, the apparatus was put to the most severe test it could be put to and it does prove that it is worthwhile to spend a lot of money and a great deal of experimental work in preliminary precautions of this kind.

Of course, there are things that probably no human ingenuity will ever prevent, such as the unfortunate loss of life in the particular compartments that were flooded. You cannot make a machine that is foolproof but, on the whole, the Navy deserves very great credit for the rescue operations.

Q The morning papers carry a report that there might have been some sabotage aboard. Have you any advices of that kind?

THE PRESIDENT: No; none at all.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: This time it took.

MR. EARLY: It was carried unanimously.

CONFIDENTIAL
Press Conference #550,
In the Study of the Home at Hyde Park,
May 30, 1939, 10.55 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning, Fred (Storm), George (Durno).

(Mr. Coon, of the Poughkeepsie Star, was presented to the President.)

THE PRESIDENT: Glad to see you, how are you? I am sorry I did not know about George (Durno) yesterday. I would have given him either a birthday cake or a bottle.

Q He had both. (Laughter)

Q (Mr. Durno) I had my choice of both and I took both.

THE PRESIDENT: Then the world was all right -- I mean it was last night. (Laughter)

Q It was -- last night. (Laughter)

THE PRESIDENT: I do not think there is any news whatsoever. What do you people know?

Q No politics in the paper.

THE PRESIDENT: I do not know a thing this morning. I really haven't a blessed piece of news.

Q Vandenberg says that Barkis is willing.

THE PRESIDENT: Yes, I saw that. That is a large piece of news. I see two of you are writing it down -- period. That is the best you can do.

Q Is that the best you can give us? (Laughter)

Q Mr. President, is there anything you can tell us about the forthcoming western trip?

THE PRESIDENT: No, I am still -- it is still the same situation. If -- oh, I suppose by the end of this week -- it looks as if Congress is going to adjourn by the fifteenth of July -- I will have to take their word for that and find out what the betting odds are in the Vice President's office and a few things like that -- and if it looks as if they will adjourn by the fifteenth of July, I will stay in Washington and go out to the Coast after that. On the other hand, if the consensus of opinion -- I think that is what they call it in certain racing sheets -- is that they will be there until the first of August or later, I think we will push off for the Coast the fifteenth of June and get it over with, and then come back. I will see what the prospects are at the end of this week.

Q What cruiser will you take, if you decide to take one, up to Alaska?

THE PRESIDENT: The HOUSTON. Of course it would not be much of a run. It is about a 36-hour trip up there.

Q Are you taking the Inside Passage?

THE PRESIDENT: Up to Juneau. If you keep on going it is thirty-six hours and I figured we would do it in forty-eight, get more daylight, and spend a few hours in Juneau and then come right back, so that the whole trip would be only four and a half days from Seattle back to Seattle.

Then, of course, that is subject to change. I mean, if something happened in Congress, I would come back -- I would come straight back from San Francisco without going there.

Q Are you going to Fort Worth?

THE PRESIDENT: No, I am going straight out to San Francisco from the

Great Smoky Mountains.

Q Will you be back in Hyde Park in August, Mr. President, for any length of time this year?

THE PRESIDENT: Off and on from then on. Just like other years. A week here and a week in Washington -- a week here and a week in Washington.

Q After you leave Alaska, that will leave the Philippines as the sole possession of the flag that you have not been in?

THE PRESIDENT: Don't forget Samoa and Guam. Those who know, like Fred (Storm), think Samoa is the best place of all.

Q (Mr. Storm) I will take Honolulu any time, Mr. President, and charge them all off. (Laughter)

Q Mr. President, if you go to Alaska and come back to Seattle, will there be any possibility of your returning through the Canadian Rockies?

THE PRESIDENT: Not if it is a quick trip, because I would have to beat it back to Washington. In other words, if we went the fifteenth of June, I would have to speed it up all I possibly can.

Q That will give you an opportunity to see Grand Coulee and Fort Peck?

THE PRESIDENT: No. We would not have time. You remember that ride up to Coulee.

Q Mr. President, sometime ago you said, sir, that you thought the present Neutrality Act should be revised in some form. There have been a great number of proposals and a great deal of talk and then there was Secretary Hull's statement the other day. Do you also feel that Congress --

THE PRESIDENT: (interposing) I think his statement covers all that is necessary to cover.

Q Did he say he preferred action this session of Congress?

THE PRESIDENT: Oh, yes.

Q One other question: I noticed in the paper this morning that Chairman Madden, of the National Labor Relations Board, told the House Committee that the Board was considering administering the law to give employees the right to petition for election and that certain safeguards, in certain cases --

THE PRESIDENT: (interposing) I have not seen that. Of course you know there was a legal question as to whether the Board had the right to do it under existing law and a good many people thought they had.

Q Senator Wagner was doubtful.

THE PRESIDENT: Yes.

Q Did you see that story in Pennsylvania about the labor act written there, very drastically modifying or narrowing the scope of the little Wagner Act which the Legislature passed in Pennsylvania? It was on the front page of the New York Times.

THE PRESIDENT: I did not see that. Of course, as you know, there has never been any question, without legislation, that sit-down strikes, taking it by and large -- the average of them -- are illegal. But it is a matter of state jurisdiction under existing law; that is, in most states.

Q Apparently it was not there, then, if they passed a new law to make it illegal.

THE PRESIDENT: I do not know enough about the Pennsylvania law. It might have been illegal without this law.

Q Mr. President, are you planning to invite any of your Dutchess County friends to the picnic for the King and Queen?

THE PRESIDENT: Just a few neighbors. The chief problem is the problem of numbers, the number of people in the British party and the Canadian party and the American party, plus the problem of the size of the Roosevelt family. (Laughter)

Q Will it be possible for us to get a list of your neighbors?

THE PRESIDENT: No, it would not.

Q You might ask Lady Lindsay to help you, Mr. President. (Laughter)

THE PRESIDENT: Yes; the same thing with the church.

Q There have been a number of local developments here that I imagine you have been interested in. Of course the sheriff situation is suggestive of the Hoffman case some years ago, then there is the Board of Supervisors' angle to it and also the wholesale removals and so on. I do not know whether you would want to comment at this time on any of that material

THE PRESIDENT: I do not believe so. As you probably know, I have felt for a long time that there was room for a very definite improvement in the administration of county government and town government.

Q In Dutchess particularly?

THE PRESIDENT: Yes, right in this county. Heavens, I have been talking about it for twenty-five years or more. There is nothing new in it. It is just the same old thing.

Q There have been two developments that affect Poughkeepsie; that is, so far as the Legislature is concerned. One is the fact that no action was taken on a purely local housing bill at the same time that they passed a State housing bill and I know that you have been interested in that by your communication with (Mr.) Troy and so on. I suppose you think they should keep moving on that?

THE PRESIDENT: Was there a local housing bill put in? What did it do?

Q That was purely as an enabling act to enable Poughkeepsie to set up an Authority. That was not passed.

THE PRESIDENT: Cannot they have an Authority -- set up an Authority within Poughkeepsie?

Q They claim they cannot under the law.

THE PRESIDENT: I did not know that because, under the old constitution, they could do it.

Q Yes, that is surprising.

THE PRESIDENT: The only difficulty under the old constitution -- you will remember I drove around last year and it seemed perfectly clear that we could set up an Authority within the city but we could not set up an Authority that could build low-cost housing outside of the city limits and, of course, as we all know, the city limits are much too much limited.

Q Yes.

Q Mr. President, Jim Farley is back now after a swing around the country. Did he tell you anything of the political situation?

THE PRESIDENT: Oh, yes. Oh, my, yes. Lots of things.

Q Did he give you a favorable report? (Laughter)

Q Are you planning at any time a dedication of your Dutchess Hill cottage?

THE PRESIDENT: Oh, no; there isn't any. I think there are now three pieces of furniture in it. Probably by this time next year there should be about eight.

Q You do not intend to move in, then, until 1944? (Laughter)

THE PRESIDENT: It will probably get furnished over -- I do not know what -- ten or twelve years.

Q How is your head cold?

THE PRESIDENT: It made good progress one day but now, this morning, I have got up with the Press. (Laughter) When I left Washington, I had the same old thing up in my septum, or whatever you call the thing. All day Saturday and Sunday it was gone and all day Monday and this morning it started in again.

Q You caught a cold to help us out.

THE PRESIDENT: It makes a perfectly good space filler.

Q Any callers tomorrow we should know about?

THE PRESIDENT: I do not think so.

Q In connection with the visit here of the King and Queen, that church is going to be quite crowded, of course --

THE PRESIDENT: (interposing) You are talking about the Press?

Q We want to cover that if we can.

THE PRESIDENT: I don't see how you can. There are about forty American correspondents who will be with me, because it will come up to that, people sent up especially from American papers. Then there are sixty of them accompanying the party, Canadians and British. Well, when I get all the royal party taken care of, there are only 120 seats left. If I started discriminating I would be lost. The only thing I can suggest is this: the windows will be open and I think the Press had better be assigned to a place within about 100 feet of the church and you can hear perfectly well. They can tell you what the service is -- it will be just the regular service. It will take about an hour and ten minutes. As far as getting the Press in, well, it is out of the window.

Then, I thought about having the three Press Associations there, and there you run into trouble. We are all right from our end but, then, there are a couple of Canadian Press Associations and there are no British Press Associations.

Q (Mr. Storm) We cover them all, Mr. President.

THE PRESIDENT: To have just the three Americans in there and not have the Canadians and the British will cause an awful lot of trouble.

Q Mr. President, will it be possible to have one man go in and tell us about it after he comes out?

THE PRESIDENT: If everybody is willing, including the Canadians and the British, it is all right with me.

Q It is have to have one or nothing?

THE PRESIDENT: Why not talk it over and see what you can work out. You will have to talk with McDermott (Mr. McDermott of the State Department) and he will have to communicate with the Canadians and British because they are our guests.

Q May I suggest, if you were thinking of taking three people in, why not have an American, a Canadian and a British newspaperman?

THE PRESIDENT: That would be all right. We can take three.

Q Then everybody would be represented and could watch out for their own kind. It would not make any difference?

THE PRESIDENT: Right.

Q Couldn't you squeeze in a local newspaperman? (Laughter)

THE PRESIDENT: As a matter of fact, the only reason for going in is to catch the sermon. That is about the only reason for going in.

Q We want to see how much money the King puts into the collection box. (Laughter) We understand he does not carry money in his pocket.

THE PRESIDENT: Neither do I. I borrow it from Tommy Qualters.

Q Did you have a five-minute talk yesterday on the telephone with a boy from a little town outside of New Orleans? It sounded rather wierd to me.

THE PRESIDENT: No. Did you get anything?

(Mr. Hassett indicated that he had not received such a call.)

Q Didn't say the reason for the conversation or why he called.

THE PRESIDENT: It may have been like that old negro down in Mississippi that talked to me by telephone. Of course, I never heard of it. He told everybody he talked to me and I saved his home for him. It was all right. I was a popular hero.

Q You gave him a medal too.

Q Last summer you expressed the hope that Dutchess County would take advantage of the P. W. A. program. The Board of Supervisors put through a $2,000,000. county road program but we never heard anything about it. Did you hear what happened to it?

THE PRESIDENT: The copy was over-quota.

Q That is with all the schools?

THE PRESIDENT: Yes. And also, of course, as a matter of fact, we discouraged all we possibly could the use of P. W. A. funds for road building except in those sections of the country where they have not got any money to build roads. I think that roads ought to be built with local tax money as a general proposition.

Q Poughkeepsie will probably be compelled to go ahead with its sewage disposal system.

THE PRESIDENT: They can save that. How about water?

Q Yes.

THE PRESIDENT: Is it still coming in half a mile from where the sewage goes out?

Q Or closer.

THE PRESIDENT: By the way, how are they getting on with the Planning Commission?

Q It is a very excellent Commission. You mean Poughkeepsie?

THE PRESIDENT: I mean the county.

Q It is coming along gradually. I do not know of any recent developments that would make --

THE PRESIDENT: (interposing) Are you getting out of the zoning?

Q Not very well.

Q It is standing still.

Q We are trying to put that over because it seems so necessary.

THE PRESIDENT: It is, all over. It is up here in the town of Hyde Park. There ought to be one very simple ordinance proposed -- I think it is legal and constitutional -- and that is in the country districts, outside of village centers, all over the county, nobody, no family house should occupy less than two acres of land. Now, that is pretty drastic, but think what it would mean. And no frontage should be less than one hundred feet front. The reason for the two acres is that long experience out west and in the Central West, they found that the family that had one acre of land occupied most of that acre with a house and the clothes (close) yard and the garage and the road leading to the garage and the front lawn, whereas, if you have two acres, you can keep a cow and a litter of pigs, fruit trees and a little vegetable garden. It makes all the difference in the world when families happen to get out of work or a depression comes along, to be able to raise part of the food supply on your own acreage. And, another thing, from the point of view of dollars and cents, within easy commuting distance of the people of Poughkeepsie -- easy bus distance of ten or twelve miles -- you can buy all the land you want for a hundred dollars an acre, or less.

Q Except for road building, when they buy it for the county.

THE PRESIDENT: Yes.

Q It costs three thousand then.

THE PRESIDENT: That means that anybody ought to be able to get two acres for five hundred dollars instead of half an acre for five hundred dollars. There is a lot in that. It is the best thing that could happen to the county because we would be talked about all over the United States and over the East if we did that. That is a grand local story.

Q Yes.

THE PRESIDENT: There is a lot in it.

Q That was the theory behind Resettlement, was it not?

THE PRESIDENT: Yes. You could grow part of the family's winter food supply right on your own ground and two acres will do an awful lot.

Q Of course here, to some extent, Mr. President, the people have been coming up from New York and taking over space and that might have had a tendency to keep prices up. There is that angle to it, too.

THE PRESIDENT: Even now, if you drive around, you see plenty of land for sale. You put seventy or eighty dollars an acre down on the barrelhead and there will be a good many take it.

Q Anything new on the foreign situation?

THE PRESIDENT: No, not a thing.

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #551,
Executive Offices of the White House,
June 6, 1939, 4.17 P.M.

Q (Mr. Storm) Hello, Mr. President.

THE PRESIDENT: Fred, how are you?

I want my glasses; I cannot see who this is over here.

(Indicating Mr. Earl Godwin.)

Q You can tell by the dimensions. (Laughter)

THE PRESIDENT: Fred (Mr. Storm), you are turning out in your summer attire.

Q (Mr. Storm) It is a holdover from last year.

Q Mr. President, are you going to have the King in for a conference?

THE PRESIDENT: What is that?

Q Are you going to have the King in for a conference, do you think?

THE PRESIDENT: He won't be here in time for the conference.

Q He is supposed to leave at ten o'clock. Are you going to have a conference?

THE PRESIDENT: Regular conference at 10.30.

Q He will be gone, won't he?

THE PRESIDENT: Yes.

Q There is a big crowd today.

Q It is an overflow crowd.

THE PRESIDENT: We have got a lot of visiting firemen.

Q Quite a few, Mr. President.

Q (Mr. Storm) He (referring to General Watson) looks like Oomah, the White Whale. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I want to welcome a large number of visiting firemen to our convention today. There are a lot of them in the back of the room.

Q Will you comment on the Supreme Court decision on the Hague case yesterday and particularly as to whether you think it strengthens the protection of civil rights generally?

THE PRESIDENT: I think the decision speaks for itself and I do think it strengthens civil rights generally.

Q You could go on from there, if you wanted. (Laughter)

THE PRESIDENT: Yes, you have only one paragraph on that.

Q Oh, no; you underestimate me. (Laughter)

THE PRESIDENT: Is that good for a column?

Q Yes, sir.

Q Mr. President, as you probably are aware, the wine people are quite agitated over the indication and fears that imported wine will be served to the King and Queen.

THE PRESIDENT: I don't think they need have any particular worries.

Q Have you replied to the queries from the wine people?

THE PRESIDENT: No.

Q Do you expect to?

THE PRESIDENT: I am not advertising any brands, valleys or any other places.

Q Without reference to brands, can you tell us what wines will be served?

THE PRESIDENT: No.

Q When you speak of fears, do you speak of American wines?

THE PRESIDENT: All I have said covers it perfectly.

Q Anything you can tell us about your conference with Morgenthau, Eccles and Budget Director Smith?

THE PRESIDENT: No; just going over half a dozen things. Nothing new in it.

Q Mr. President, can you throw any light on the conferences you have had with Iowa political leaders in the last few weeks?

THE PRESIDENT: No; I have had conferences with forty-eight states. Why pick on Iowa?

Q Because two of them came out and said they were for you for a third term.

THE PRESIDENT: I am not responsible for interviews given on the front steps of the Executive Offices. (Laughter)

Q Mr. President, is there a new Public Works program in contemplation?

THE PRESIDENT: No.

Q Will there be any new spending program before adjournment?

THE PRESIDENT: No, not that I know of.

Q The Mead Bill and various things are under discussion?

THE PRESIDENT: Well, of course the Mead Bill, the objective of it, is extremely interesting. As to details, there are about half a dozen different methods of approaching it. The objective is good. It does not mean that the Mead Bill details are approved.

Q What steps are you taking to iron out or implement these objectives?

THE PRESIDENT: I think they are all talking about it on the Hill. They are concentrating on it up there.

Q Anything doing in the Executive Department on that?

THE PRESIDENT: No, except that people are being called up for their opinions.

Q They are working on the mechanics of the bill?

THE PRESIDENT: Yes, at the request of the Committee.

Q Did you discuss the bill with Secretary Morgenthau?

THE PRESIDENT: No.

Q Sir, did you see the article by Secretary Ickes in Look?

THE PRESIDENT: Only the headline.

Q Mr. President, what do you think of Democrats coming out openly now for the 1940 nomination?

THE PRESIDENT: What number is that? That was fifty-seven the last time, or fifty-eight. (Laughter)

Q Mr. President, Grover Bergdoll's attorney, I understand, has written you a letter. Can you comment on the letter or the Bergdoll case?

THE PRESIDENT: I do not think the letter has come. It has not come here, has it?

MR. EARLY: No, sir.

Q Tell us about your views?

THE PRESIDENT: No.

Q Anything about your plans for going west?

THE PRESIDENT: Except that going off on the fifteenth or the sixteenth is all off and the reason was a very simple one: There was not any assurance that Congress was not -- there was not sufficient assurance that the Congress would adjourn on the fifteenth of July, which might have made it possible, but there are two measures that ought to be passed by midnight of the thirtieth of June. One is some relief bill, because our relief money stops on the first of July and therefore it is very essential to have a relief bill signed on the thirtieth of June. The other is the extension of the excise taxes, which go out of existence at midnight on the thirtieth of June. I, just being a little bit Scotch and a little bit cautious, I was afraid that if I went west, out to the Coast, that one of those pieces of legislation might get into a jam and have to be taken care of at the last minute by a joint resolution or something like that, and, while they could get a bill to me inside of twenty-four hours, as you know, we have had some occasions where the legislation has passed late in the afternoon or evening of the final day and, fearing the possibility of that, I decided I ought to be here on the thirtieth of June.

Q How about the monetary powers?

THE PRESIDENT: Well, that is not so essential because, after all, on those monetary powers we would not lose any money for a week or two.

Q What does the date look like now, sir?

THE PRESIDENT: I do not know. Frankly, I am not thinking about the actual date. We will review the situation again around the twenty-fourth or twenty-fifth of June, and if it looks then as if Congress will be here until Thanksgiving, probably I will go the second or third of July.

Q You had an engagement the other day with the President-elect of Paraguay. That was delayed for some reason. Will you see him before he goes down?

THE PRESIDENT: I hope to, yes.

Q Will there be an economic announcement at that time?

THE PRESIDENT: I do not think so.

Q Do you expect to appoint soon a judge for the Eastern District of Wisconsin?

THE PRESIDENT: I do not know; I have only just begun to look at it.

Q How about the Third Circuit vacancy?

THE PRESIDENT: Which one is that?

Q Warren Davis'.

THE PRESIDENT: I have only begun to look at that.

Q How about the Southern California one that has been vacant for a year?

THE PRESIDENT: The Attorney General inherited the struggle and is still struggling.

Q When can we look for the appointment of the heads of these new agencies, the lending and the securities?

THE PRESIDENT: Well, before the first of July. I hope to get them all up there before the first of July.

Q When will those six anonymous assistants be indicated?

THE PRESIDENT: I do not know. They will probably come later.

By the way, there is one interesting announcement that I do not know why I should not give to you now. It is a little bit premature because I am not sending the name up to the Senate until tomorrow. It ought to be of real interest to all of you literary gentlemen. It is the Librarian of Congress. (The President was looking through his basket for the papers.)

MR. EARLY: The papers are outside.

THE PRESIDENT: Well, never mind, I think I can talk it. It has been a very difficult post to fill because you need a good many qualifications. There are a good many different parts to the profession of running a library -- there is a good deal of technical work -- but I feel that you can always hire adequate technical people. But what I wanted, especially for Librarian of Congress, was a person who could be described as a gentleman and a scholar and who, in every nation of the world, would be known as such, a person who could go to conferences in other nations, other capitals, and everybody would say, immediately, "Why, we know all about him." This particular gentleman has a very interesting history: He graduated from the law and he has written poetry, he is probably one of the two or three leading English poets of the day, and he has also been the editor of a great magazine and is very well equipped as an administrator, as a businessman, in addition to all of that. The gentleman I have in mind is Archibald MacLeish.

I am sending his name up tomorrow and I think it is a very interesting selection as Librarian of Congress because he does stand out as a great scholar.

Q What is he now, Harvard?

THE PRESIDENT: I do not know.

(At this point several people in the room volunteered the information, "Harvard," and others, "Yale.")

THE PRESIDENT: Steve (Mr. Early), you had better go out and look it up. I believe he went to the Harvard school and then Yale.

GENERAL WATSON: He went to both.

THE PRESIDENT: I think he went to West Point too. (Laughter)

Q What makes him still greater was the fact, which you did not mention, that he was at college with Ray Tucker.

THE PRESIDENT: Was he?

Q He will answer all questions in blank verse too.

THE PRESIDENT: I think it is a nomination which will meet with the approval of art, literature and business.

Q Do you think General Watson will know how old he is and where he comes from?

GENERAL WATSON: Forty-seven years old and born in Farmington, Connecticut. (Laughter)

Q What is Mr. Putnam's status, emeritus?

THE PRESIDENT: Emeritus, yes.

Q Have you named your cottage at Hyde Park?

THE PRESIDENT: Just "The Cottage on Dutchess Hill." It is the "Roosevelt Cottage on Dutchess Hill." That is the only name it has and of course all the boys that go up to Hyde Park with me understand very thoroughly that it never has been a "Dream Cottage" and they are living up to my request that it should not be called that because it does not happen to be true and never was, so I see no particular reason for perpetuating the forgery by calling it that. (Laughter)

MR. STORM: Thank you, Mr. President.

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CONFIDENTIAL
Press Conference #552,
Executive Offices of the White House,
June 9, 1939, 10.45 A.M.

THE PRESIDENT: Good morning; how is everybody holding up?

Q (Mr. Godwin) That is a better uniform for the occasion than you had yesterday, Mr. President. (Referring to the fact that the President was in his shirtsleeves and that the preceding day, devoted to the visit of the King and Queen of England, had been exceedingly hot.)

THE PRESIDENT: You bet.

Q (Mr. Storm) No golf this week end, Mr. President?

THE PRESIDENT: Oh, I don't know. Why don't you write your stories on Sunday morning, ahead of time, and then go ahead and play golf in the afternoon? There won't be any news.

Q We will have to make some, if there isn't.

THE PRESIDENT: There are all kinds of different arm bands.

Q We have blue and white and the Canadians have red, white and blue.

Q They look like a bunch of street cleaners. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: Well, you have come to the wrong place for news. There is none here this morning.

We are leaving here tonight, as you know, and you have a schedule for Saturday and Sunday, and Monday morning we are going down to West Point for the graduation and at one o'clock on Monday we will return to the train and the Press and the President will probably go to sleep to make up for lost time.

Q When will you be back here?

THE PRESIDENT: Monday night. We ought to get in around, I should think, seven o'clock. (There was a pause.) Everybody is out of questions and out of thought.

Q Have you, Mr. President, any observation to make on your guests? (Referring to the King and Queen of England.) (Laughter)

THE PRESIDENT: I think only that they are very, very delightful people.

Q How about quotes on that, sir?

THE PRESIDENT: I think it is all right.

Q There was a quotation in the morning paper which, I think, was copyrighted. (Laughter) The King was quoted as saying to you that it would be all right to call him "George."

THE PRESIDENT: I am afraid we will have to characterize that as a newspaper story. (Laughter)

Q Thank you. It was not one of Fred's (referring to Mr. Fred Storm).

Q Did he call you Franklin? (Laughter)

Q Have you had a chance to talk international affairs with the King, or have you any intention of doing so?

THE PRESIDENT: Oh, I suppose so, just the way you and I would or anybody else would in these rather strenuous days in world affairs. It does not mean very much, we are all doing it.

Q Can you tell us what you pointed out on the sightseeing trip and some idea --

THE PRESIDENT: (interposing) No, the chief thing of interest to me on the trip was that we went over a number of roads in the upper part of Rock Creek Park that I had never been on before and I told him, after we had been up there about twenty minutes, that I was lost.

Q What did he think? Did he express any views of the city or the ride or the Park or anything of that sort that you would like to tell us about?

THE PRESIDENT: Of course the King had never been here before, but Sir Ronald and I explained to him the amazing change that has come over Washington in the last thirty or forty years because Sir Ronald and I go back in this town a great many years, and we told him of the gradual development and the fact that this is the only capital in the world which was built for a capital. Of course we excepted Canberra, the capital of Australia, because that is not finished yet, but it is laid out on the same theory as Washington, to be a capital.

Q What on the sightseeing trip, what impressed the King the most?

THE PRESIDENT: Oh, I do not know. The whole thing, of course, was to any person who comes here for the first time, very interesting.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #553,
Executive Offices of the White House,
June 13, 1939, 4.10 P.M.

(The President had been discussing with the members of the Press in the front row the radio program given by Mr. Earl Godwin.)

Q (Mr. Godwin) I was so good this morning that Harry Mitchell called me up to call me down. (Laughter)

THE PRESIDENT: Earl (Godwin), you are just like me, you are spotty. We public speakers are always spotty. We cannot perform all the time. You are good about eighty per cent of the time and I am good about seventy-five per cent of the time.

Q (Mr. Godwin) I'd say you are ninety-nine per cent.

Q Are you spotty, really?

THE PRESIDENT: Sure; all of us public speakers are spotty but not as spotty as writers. (Laughter)

Q We are always spotty.

Q (Mr. Young) The girls out at the Old Ladies' Home don't think he is spotty. They think he is fine any morning at all.

THE PRESIDENT: Good.

Look at that damned thing, and that. (Indicating piles of correspondence.) That is what comes of taking three days.

Q You have got to pay for it.

MR. DONALDSON: All in.

THE PRESIDENT: I am being commiserated with because I have two big stacks of mail that I have not looked at yet. That is about the only news.

Q Anything you could tell us about your talk with Secretary Edison this afternoon?

THE PRESIDENT: No, except the fact that the Navy building program seems to be coming along very well. As you know, in the last year there has been a definite speeding up and we are feeling much happier than we did a year ago.

Q Mr. President, are you any closer to a decision about your western trip?

THE PRESIDENT: I thought I would wait until just before I go up to the country, wait until the twenty-third of June, which is about the last date I can make it, to determine whether I will leave on the second of July or wait over until after Congress adjourns.

Q Where are you going on the twenty-third?

THE PRESIDENT: That night going up to Hyde Park and the next day I have a family wedding on the twenty-fourth, and on the twenty-eighth I am giving a luncheon for the Governors' Conference, which is meeting in Albany, as guests of the State of New York. On the morning of the twenty-eighth they motor down and lunch at Hyde Park and then go to West Point after that, thirty-two Governors.

Q What wedding is that?

THE PRESIDENT: One of the Delano girls. Tell the ladies to find out about it for you.

Q Can you tell us, Mr. President, of your conference with Dick Russell this morning?

THE PRESIDENT: Well, we talked about the agricultural appropriations and nothing has been decided yet. It is in the study stage.

Q That is the bill that is in conference?

THE PRESIDENT: Yes.

Q Mr. President, you said that the Navy building program is going well and speeding up and that you are very much happier than a year ago, and that concluded your statement. Is there anything else you care to say about that, why you are happier?

THE PRESIDENT: As you know, a year ago we were all complaining about the length of time it took between a Congressional actual appropriation and the time the ship went into commission. We have got it speeded up now and have cut off perhaps twenty-five per cent of the time that it has been taking us to build a ship.

Q What delay was it that was removed?

THE PRESIDENT: What?

Q What was the chief delay that was removed?

THE PRESIDENT: There were a great many reasons. Probably the most important reason was the changes made in the plans by the Navy Department itself after the construction of the ship had started.

Q Mr. President, tomorrow there will be introduced in the House a W. P. A. bill, an appropriation bill, in which one of the proposed changes, as I understand it, is the elimination of the prevailing wage feature of the law which was written in, I believe, over your very strenuous objection quite a lot earlier in this Administration. Do you favor the elimination of that prevailing wage feature?

THE PRESIDENT: I could not comment on it until I see the language, so much is dependent on it, and I have not seen the bill at all. All I know is what I read in the papers this morning. You will have to wait until I see it.

Q In your conference with Russell, was there any talk about taxes to meet the appropriations?

THE PRESIDENT: Yes, that is part of it.

Q Did they hold out any other promise to you?

THE PRESIDENT: No, not yet.

Q From reviewing the papers this morning on the tax program, is that proposal satisfactory to you?

THE PRESIDENT: I did not read the story because I assumed it carried out what we talked about.

Q They did not mention anything about reducing surtaxes on large incomes as the Treasury suggested might be considered?

THE PRESIDENT: Only in connection with the --

Q (interposing) Only in connection with the repeal?

THE PRESIDENT: I understand that the Committee thought that might come out even later on at this session, if they stayed here, as a double-barreled bill.

Q Have you been talking Puerto Rico affairs with Governor Leahy this afternoon?

THE PRESIDENT: Not yet.

Q Do you plan to?

THE PRESIDENT: I don't think so; he is coming in about other things.

Q Are you going to have conferences on neutrality legislation?

THE PRESIDENT: No.

Q Do you intend to ask Congress to allot any additional funds for the Public Works Administration?

THE PRESIDENT: Not that I know of. I have said that right along, almost every week.

Q Is any of the money to be earmarked for public works?

THE PRESIDENT: I hope not.

Q It is in the reports on that sub-committee's bill that they want to put $125,000,000 over to public works.

THE PRESIDENT: Of course the answer is very simple: that means taking care of fewer people who are now on the relief rolls.

Q In your reorganization, are you anywhere nearer now to naming your heads of the three groups?

THE PRESIDENT: No, not yet. That is something I am getting to in the course of the next two weeks.

MR. YOUNG: Thank you, Mr. President.

Q Have you selected a judge for the Western District of Wisconsin?

THE PRESIDENT: No, not yet.

Q Have you signed the grasshopper appropriation?

THE PRESIDENT: Have I signed the grasshopper appropriation?

MR. EARLY: You requested it.

THE PRESIDENT: I will sign it as soon as it gets in the front door of the Executive Offices.

Q There is no substitute offered for the industrial profits tax. I was just wondering if you care to comment on that?

THE PRESIDENT: Well, there is a substitute in one way in the new percentage tax. The loss on the undistributed profits tax will be made up there.

Q In Section 102 -- does this mean the absence of any new safeguards in the bill? Does that mean that you and the Members of Congress feel that 102 is adequate?

THE PRESIDENT: Not necessarily. We are still discussing the question of legal prosecution.

Q I thought the absence might have indicated that a decision might have been reached?

THE PRESIDENT: That is one of those things, your guess is as good as mine. What we are trying to do is to catch any evasion that is attempted and there is a question as to whether 102 goes sufficiently far enough.

Q Pat Harrison said he would make any changes to strengthen it.

THE PRESIDENT: Yes. The Attorney General and the General Counsel of the Treasury are still studying that to see whether there are some words we can put in to strengthen that particular paragraph.

Q Do you plan to discuss Philippine legislation with Members of the House this week?

THE PRESIDENT: I do not plan it at all.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #554,
Executive Offices of the White House,
June 16, 1939, 10.35 A.M.

Q It is really getting hot out there this morning.

THE PRESIDENT: Yes. We will have to be getting down the river, I think.

Q Did you ever get any fish down there?

THE PRESIDENT: Oh yes, hardheads.

Q How about rockfish?

THE PRESIDENT: Two weeks ago we got seventeen of them.

Q I have not had any luck at all.

THE PRESIDENT: I do not know what the fish is but down at the wreck of the old TEXAS -- you can get to the wreck, within about ten feet of it -- there are some fish there that are not more than about six inches long. What are they?

Q They are little black wills.

THE PRESIDENT: They are the most delicious eating in the world.

Q They are heavy and dark meat.

Q You got a lot of rock last year?

THE PRESIDENT: A lot of them last year; they are good eating.

Q Yes, those and kingfish. We got thirty hardheads.

THE PRESIDENT: Good.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. We are going to put the lid on over the week end. I am going down to Annapolis late this afternoon, then down the Bay and back Sunday afternoon.

Q Who is going with you?

THE PRESIDENT: Senator Barkley and Senator and Mrs. Schwellenbach and Ambassador Bullitt.

Q Mr. President, are you familiar with Attorney General Murphy's speech at Asbury Park yesterday?

THE PRESIDENT: No.

Q May I suggest -- he suggested a billion dollar cut in all public payrolls, State and Federal, and the reduction of personnel and also he urged the end of the old practice of using public payrolls to pay off political debts. It was a very sharp speech.

THE PRESIDENT: Well, we are gradually working towards the latter.

Q You said you were not familiar with it and it was such a strong speech that many people supposed it was an Administration speech.

THE PRESIDENT: I have not read it, only the headlines and that does not give you the speech, ever.

Q Will you sign the Relief Bill if it comes to you with the restrictions it now contains?

THE PRESIDENT: Oh, oh, oh, how "iffy." The best answer is, it won't.

Q Mr. President, can anything be said as to the Government's attitude in regard to the Japanese blockade?

THE PRESIDENT: You will have to ask the State Department.

Q Tell us something about your financial conference the other day.

THE PRESIDENT: There wasn't any particular news in it. It is just part of the thing. It is a six-year-old story.

Q Tell it to us.

THE PRESIDENT: Well, you know we have been trying right along to find projects that would be self-sustaining, that is about all. We are continuing it right along; about every six months we check over the field on self-sustaining projects, where the money will come back, any money spent will come back to the Government.

Q Is there a two billion dollar spending program in sight as hinted in the dispatches this morning?

THE PRESIDENT: No.

Q Is it the idea to get it out of the regular budget?

THE PRESIDENT: Oh, yes; those conversations relate to existing lending agencies.

Q Does that mean legislation at this session?

THE PRESIDENT: I do not know; if it did, it would be very minor legislation.

Q What kind of legislation, Mr. President, might be initiated?

THE PRESIDENT: Oh, increase present limits.

Q On the debt?

THE PRESIDENT: On loans. No, it has nothing to do with the budget.

Q You mean the ability of the lending agencies to make advances?

THE PRESIDENT: You see, they all have top limits.

Q Is there a plan to create a separate appropriation that would finance these self-liquidating projects?

THE PRESIDENT: Not necessarily. The only illustration I could give for that would be on -- we are all familiar with the railroad equipment loans and we are studying the question of whether it should be, for new equipment, the present method of a loan to a railroad, in which case the railroad has the legal title to the equipment, or using the other method which, in the long run, amounts to very nearly the same thing, to setting up a corporation under the R. F. C. to build the equipment and lease the equipment to the railroads.

There is an advantage in the latter method because, in the latter method, the title to the equipment remains in the Government and, in case of insolvency of the railroad, the Government still owns the equipment and leases the equipment to the receiver for the railroad. That would require setting up a new corporation but it is a detail of administration more than anything else.

Q Mr. President, has the Fiscal Advisory Committee given you any idea as to how much money could be used in self-liquidating projects for the next year?

THE PRESIDENT: No.

Q What about toll roads?

THE PRESIDENT: We did not discuss that at all.

Q What was that question?

THE PRESIDENT: Toll roads.

Q Mr. President, are you going to discuss your defense program today with a group coming in around eleven?

THE PRESIDENT: Yes; that is about this authorization for $100,000,000. and to see -- has the thing gone through finally? I do not think it has, has it? It has not come to me.

GENERAL WATSON: No, sir; it has not.

THE PRESIDENT: This is to discuss what would happen if the bill went through and how much we could, or should, profitably spend during the coming year; in other words, how much we should ask in the way of an appropriation out of the $100,000,000. authorization.

Q That is Army trial orders?

THE PRESIDENT: No, this is the strategic war materials that we do not produce in this country.

Q Has the apparent failure of the labor peace conference arranged by you been reported to you yet, sir?

THE PRESIDENT: Only what I read in the papers, that is all. It is one of those things. We have such disagreements in all walks of life and apparently sometimes the negotiations are off and we always hope and generally, in the long run, the thing has always worked out. I hope that this will be worked out.

Q Are you planning any additional steps?

THE PRESIDENT: No, I have not done anything about it at all.

Q Will you give us your views on the Hatch Bill? I think you discussed it yesterday with Healey (Representative Arthur D. Healey, of Massachusetts) and Representative Celler (Representative Emanuel Celler, of New York).

THE PRESIDENT: There isn't any particular news on it. We talked it over and everybody is agreed on the obvious objective, which is perfectly right. It is a question on the details of some of the language in the Hatch Bill as it passed the Senate.

I think it would be a pity if, for instance, people who are now not in Congress were precluded either from running for public office or campaigning, taking part in a campaign. In other words, it is a question of language. The bill was badly drawn in the Senate and they are trying to correct that.

Q There is no objection to the provision in the Relief Bill barring politics from relief?

THE PRESIDENT: Well, what is the objective? It is to prevent, on relief, to prevent anybody from going to these relief workers, about two and a half million of them, and trying to dragoon them into taking part in politics on one side or the other. Now, we are all agreed on the objective and it is a question of how to do it.

Q Mr. President, can you tell us what you will speak to the Brazilian Chief of Staff about when he arrives?

THE PRESIDENT: I have no idea at all.

Q Published reports this morning said that you had asked the Mexican Ambassador yesterday to urge his Government to try to speed up oil negotiations?

THE PRESIDENT: That is substantially correct. That is all I need say.

Q Do you have any comment on the possibility of discussions on broadening the income tax base by lowering the exemptions?

THE PRESIDENT: You know what was agreed on on that, on the upper brackets?

Q Yes.

THE PRESIDENT: Well, the other part of it, there was nothing said about it, one way or the other.

Q How do you stand on that, sir?

THE PRESIDENT: Oh, I think we have got to broaden the base a little bit. It won't bring in much revenue but it does give added responsibility of citizenship and, in the same way, I think probably what are known as some of the middle brackets ought, probably, to be raised a bit. Frankly, I doubt if Congress will take any action on that at this session. There is a great deal of awful rot written in editorials about broadening the base -- that is to say, lowering the exemptions down to $800. for single people or $1200 for families -- silly editorials that estimate that this will pay off the national debt. We all know that in broadening that base the cost of collection of the tax rises almost to the point of taking up the entire additional revenue. It is just one of those -- what do I call it? -- a political editorial attitude. That is a good line.

MR. YOUNG: Thank you, sir.

THE PRESIDENT: That ought to hold them.

CONFIDENTIAL
Press Conference #555,
Executive Offices of the White House,
June 20, 1939, 4.06 P.M.

Q Where were you in the storm Saturday night?

THE PRESIDENT: I was laying alongside the wreck of the U.S.S. TEXAS, way down below the mouth of the Potomac.

Q Where did you go Friday night?

THE PRESIDENT: I was on the way down from Annapolis.

Q How was it?

THE PRESIDENT: Nice and cool as long as we kept moving.

Q It was hot, wasn't it?

THE PRESIDENT: Yes, it was.

Q Did you get that northeaster?

THE PRESIDENT: Yes.

Q It blew a fishing boat up on the shore.

THE PRESIDENT: It did, really?

Q It was forced into a creek and went high and dry.

Q Where did you do your fishing?

THE PRESIDENT: Down there by the old wreck. We got about three nice big whiteheads.

Q Trout?

THE PRESIDENT: Yes; four or five trout and some Norfolk spots too.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news.

Q Next week I will send you some Lake Erie perch.

THE PRESIDENT: They are good.

Q Will you be here?

THE PRESIDENT: No, at Hyde Park.

Q I will send them there.

THE PRESIDENT: I don't think I have any news.

Q Anything you can tell us, sir, regarding this neutrality situation at this stage?

THE PRESIDENT: I do not think so. I think you know just as much about it as I do.

Q We hear, indirectly of course, that you would not want to see this Congress adjourn without action.

THE PRESIDENT: Well, I think that is perfectly true for the very obvious reason that if, after Congress goes home, some war should start we would find it very difficult to change legislation to create neutrality without having it said that we were favoring one side or the other. For the sake of the Congress, it is much easier to insure against getting into that kind of a dilemma.

Q At the last Press Conference you told us about efforts being made looking into the matter of financing railroad equipment. Have you done anything further as to any other loans?

THE PRESIDENT: No; I am still studying and may have something before I leave on Friday night.

Q Just on the railroads?

THE PRESIDENT: No, several other methods of lending.

Q Can you tell us anything about it?

THE PRESIDENT: No, because a good many things are still under discussion.

Q Any chance of a Message on that?

THE PRESIDENT: No.

Q If you do anything, what would it likely be?

THE PRESIDENT: I do not know; I have not decided on the form but it probably would not be a Message to the Congress.

Q Mr. President, what did you talk to Mayor LaGuardia about?

THE PRESIDENT: We talked about a lot of things; I have forgotten now especially what I could tell you. Just a lot of things.

Q How about the new bridge?

THE PRESIDENT: Yes, we mentioned the new bridge too.

Q How about politics?

THE PRESIDENT: Oh, now, Fred (Storm); we are getting into the hot season.

Q You mean the question was hot?

THE PRESIDENT: No, no; I mean the weather, just the weather.

Q Mr. President, will you be a candidate for reelection in 1940?

THE PRESIDENT: Look, I will tell you: I made an awful mistake the other day. The columnists all said that I had forgotten to mention the corner, so you will have to go and stand in the corner. They made what they call "deductions" because of the fact that I had forgotten to mention the corner and they discoursed for paragraphs on the fact that I have made the omission. So, from now on, we won't make the omission, we will revive the corner.

Q Will I be stood in the corner if I ask whether you have any comment on last week end's developments in Wisconsin?

THE PRESIDENT: What was that?

Q Secretary Wallace made a speech and the Democrats at a meeting came out for a third term and then, the next day, the Attorney General made a speech praising the La Follettes.

THE PRESIDENT: They are only headlines and they did not conform to the rest of the speech, I am sure.

Q I don't know.

Q Getting back to neutrality, Mr. President, it is said by some people in the Administration that if the Bloom Bill were passed it would go a long way to insure peace for this year. Do you think that is an accurate statement?

THE PRESIDENT: I think it would help our influence for peace.

Q Is there any possibility of a special session?

THE PRESIDENT: Oh, Pete (Brandt); that is "iffy."

Q There was a story to that effect.

THE PRESIDENT: That does not prove a damned thing.

Q Could you say anything more on legislation or probable legislation on this lending plan?

THE PRESIDENT: No; still too vague but I think they are getting on pretty well.

The House, I think, is taking up neutrality next week. They have passed their relief bill and their tax bill and I understand the Senate is going to take up taxes the end of this week and relief at the beginning of next week, so I am very hopeful we will get those two through and on my desk by the thirtieth of June. In other words, things are looking up on the Hill.

Q Do you think that tax bill is all right?

THE PRESIDENT: It is very good.

Q Do you hope at this session to abolish tax exempt securities?

THE PRESIDENT: I hope so.

Q You really have a hope instead of just a wish?

THE PRESIDENT: I have a hope. You know, I have been called an incurable optimist.

Q Do you expect to visit Panama this summer?

THE PRESIDENT: I do not believe I can get there.

I think you can say this, that I have pretty well made up my mind because -- I was not going to say anything until Friday -- I have pretty well made up my mind, because things seem to be going faster than they were a week ago, not to go to the Coast on the second of July but to wait until after Congress adjourns.

Q It will be much cooler weather.

THE PRESIDENT: Yes.

Q When will that be, sir, do you think?

THE PRESIDENT: Ask the Vice President. He makes the book for the family.

MR. YOUNG: Thank you, Mr. President.

Q Can you tell us whether you discussed the W. P. A. setup in Missouri with Governor Stark?

THE PRESIDENT: Yes.

Q With reference to Nat Murray?

THE PRESIDENT: Yes; that is right.

Q Can you tell us what decision was reached?

THE PRESIDENT: No.

Q He resigned his Kansas City job today.

THE PRESIDENT: He did? He was drawing two salaries?

Q Yes.

CONFIDENTIAL
Press Conference #556 -- Special,
Executive Offices of the White House,
June 22, 1939, 11.05 A.M.

(Note: This was a special conference called by Mr. Early at 10.30, to be held at 11.00 A.M.)

Q (Mr. Storm) Good morning, Mr. President. I see the Lone Eagle of the White House sitting over there. (Referring to General Watson, who had been invited with Mr. Early to fly on the Clipper plane to Europe, but who had declined on sundry grounds.)

THE PRESIDENT: Yes.

This is not an emergency conference in any sense of the word. It has nothing to do with foreign affairs and I merely thought you might like to come in so that we could go over this letter which has been sent to a number of Senators and members of the House.

The occasion for this letter was a letter to me from Senator Byrnes (under date of June 19, 1939), in which he said:

> "Dear Mr. President:
>
> "The resolution passed by the House on the 16th, making an appropriation for work relief, provides that of the amount appropriated one hundred and twenty-five million dollars shall be transferred to the Public Works Administration.
>
> "You did not submit to the Congress an estimate for an appropriation for the Public Works Administration. I wish you would advise me what effect, in your opinion, this transfer will have upon the number of persons to be furnished employment during the next fiscal year, and whether or not you believe the transfer wise."

That brought up the question of what this transfer of one hundred and twenty-five millions from Work Relief to P. W. A.

would mean. And, in doing that, it brought up the whole question of putting more people to work, if we can, by methods other than relief and by methods which will not increase the out-of-pocket, the permanently out-of-pocket expenses of the Government. In other words, won't bust the budget.

That was in line, of course, with what we have talked about in Press Conferences before. As you know, the thing has been under study for a year and this is the net result of the studies:

"June 21, 1939

"Dear Senator Byrnes:

> I have your letter of the 19th in which you ask my position as to the provision of the 'Work Relief and Public Works Appropriation Act of 1939' as passed by the House of Representatives (H.R. Res. 326) which would allot $125,000,000. to the Public Works Administration for loans and grants for non-Federal public works."

On that we have to remember that on the P.W.A. method we give right out of the treasury 45% of Federal money and that does not ever come back -- it is not a loan, it is a grant -- and the other 55% is really borrowed by the locality, either from private sources or from the Government. They have the right to borrow that 55% from us. In a great many cases they actually do not borrow from us but borrow from private sources.

> "I am opposed to this provision. It means simply that 165,000 men who are badly in need of work will have to be dropped from the Works Progress Administration rolls;"

That is the net effect, we have to drop 165,000 people from relief rolls.

> "men who in the great majority of cases are the sole support of families whose subsistence depends on this slender income. What will happen to most of these men is that they will be forced onto

> already overburdened direct relief rolls of cities, towns and counties, or, if these are insufficient --"

As they are in most cases --

> "--to care for them, onto private charity.
>
> "I believe there is a better way to accomplish the laudable purposes of this bill. The great majority of people of this country have come to realize that there are certain types of public improvements and betterments which should be undertaken at times when there is need for a stimulus to employment. At such times the Federal Government should furnish funds for projects of this kind at a low rate of interest, it being clearly understood that the projects themselves shall be self-liquidating and of such a nature as to furnish a maximum of employment per dollar of investment."

In other words, this whole thing is based on the self-liquidating policy. The Government gets the money back and it does not appear as merely a net debt against the Government but is like any business transaction. It appears on both sides of the ledger.

> "There seems no reason why there should not be adopted as a permanent policy of the Government the development and maintenance of a revolving fund fed from the earnings of these government investments and used to finance new projects at times when there is need of extra stimulus to employment. Such times will recur in the future, as they have in the past, and there will always be need for public facilities and improvements in our natural resources which can be most profitably met by the use at times of greatest need of employment of the accumulated receipts of such a revolving fund.
>
> "At my suggestion, various departments and agencies of the Government have canvassed the situation to find projects which will meet genuine public needs -- projects that can be put under way quickly and, of great importance, will be self-liquidating. They have found a variety of such projects which have stood the test of careful scrutiny and which hold the promise of a great volume of productive expenditure and employment. I believe this is a much sounder

> method of dealing with the problem than the diversion of $125,000,000 of work-relief funds. All can be financed through the issuance of guaranteed securities by Government agencies with good prospect of repayment of both principal and interest through earnings.
>
> "I have caused estimates to be made of the extent of the field for investment of funds in revenue earning channels on a self-liquidating basis and in no way competitive with private enterprise. The estimates are, I believe, conservative. The types of projects I have in mind are listed below, together with the sums which, it is estimated, can be put to work to provide employment for men and machines in diverse lines of industry within the coming fiscal year. These projects are in addition to programs already submitted."

And then come six general headlines.

First, under the new Federal Works Agency -- that is all of the public works agencies under that new agency, we have non-Federal public works:

> "Projects of the self-financing type to be financed by loans at sufficiently low rates of interest to stimulate borrowing for this purpose. The type of projects would be waterworks, sewage disposal plants, bridges, hospitals, and other municipal projects."

And then comes the program. Just to use this as an example, I put down in the first column the number of years and the total amount that we would ask as a ceiling on the lending, followed by how much we would spend in the fiscal year 1940. Well, this one -- mind you, the years are not all the same -- this one happens to be a two-year program and the ceiling on that two-year program is $350,000,000. on this item. We estimate that during the fiscal year 1940, the Government would actually spend -- the Government agency -- $150,000,000.

Then the next item, under Federal Works Agency, is Express Post Roads:

> "Self-liquidating toll roads: bridges, high-speed highways and city by-passes."

Mr. MacDonald, of Public Roads, has a long list of such projects which he certifies and believes would be self-sustaining. There he brings us a four-year program with a total ceiling, an authorized ceiling, of $750,000,000. but estimates that in the fiscal year 1940 he would spend on these self-liquidating projects only $150,000,000.

Then we come to Railroad Equipment: The general thought -- we have talked about that before, you know -- the general thought is that it is better to have a Government authority or corporation which will, when the railroads come to it and say, "We need this, that or the other thing in the way of equipment," -- enter into a contract to lease the equipment, whereupon the Government authority orders it -- standard equipment that would be good on any railroad -- and as soon as it is finished it is leased under the contracts to the railroads to use, and the title remains in the Government so that if the road goes into the hands of the receiver, there is no question as to the Government's lien. The Government has title to the equipment.

That is put down on a three-year program basis with a total limit or ceiling of $500,000,000. and a total actual expenditure during the fiscal year 1940 of $100,000,000.

Then we come to the Department of Agriculture. There are two items and Rural Electrification is the first.

> "Expansion of present rural electrification program to reach a maximum of 1¼ million rural families not now receiving electric service nor likely to receive such service in the near future."

That means about five million people not now receiving electric service, nor likely to receive such service in the near future.

That, of course, is a long program because it is done mostly by the cooperative method and also by agreements and contracts with the private electric companies. It is going very well and Carmody (Mr. John M. Carmody, Administrator, Rural Electrification Administration) figures we ought not to hurry it too fast but ought to continue the work that is going along now and which is entirely satisfactory, not only to the rural families but also to the companies serving the electricity. It is a seven-year program, which would amount, in the seven years, to $460,000,000. There is your ceiling. But he thinks in the coming year of 1940 we would only spend through the Agency $20,000,000.

Q Sir, is that in addition to their present appropriation of 1940?

THE PRESIDENT: Yes. These are all in addition to present appropriations.

Then, the second item under the Department of Agriculture, the Farm Tenant Program:

> "Expansion of the self-liquidating portion of the program of the Farm Security Administration for tenant farm purchases, rehabilitation program, loans for minor improvements and repairs, loans to resettlement cooperatives, and loans for water facilities."

There is a total amount for a two-year program, a ceiling of $500,000,000. and loan disbursements in the fiscal year of 1940 of $250,000,000.

And then the final item, which is called "Foreign Loans":

> "Extension of short and long-term loans to foreign governments for the purpose of promoting our foreign trade. The proceeds of these loans would be spent in the United States and would be used for development and reconstruction purposes in the foreign country."

There we have $500,000,000. for two years and loan disbursements of $200,000,000. in 1940. Note that this would not in any shape, manner or form violate the Johnson Act and would, at the same time, give us a greater outlet for some of our surplus commodities.

That is, really, nothing more than we have at the present time, which is the right of the Export-Import Bank to do this, and then, after the loan is made by the Export-Import Bank, the R.F.C., as you know, has the right to buy those securities for the loan from the Export-Import Bank. This allows the Export-Import Bank to do it in some other place. It is to stimulate trade and of course we would not violate the Johnson Act in any shape, manner or form.

And here are your totals: The total amount of the program, which runs, depending on the agency, from two years to seven years -- the ceiling -- is $3,060,000,000. The actual estimated disbursements during the fiscal year 1940 will be $870,000,000.

(Below is given the complete table, as set forth in the press release, from which the President quoted, as indicated above, in part:)

	"Program duration (years)	Total Amount of Program	Loan disbursements fiscal year 1940
"I. Federal Works Agency -			
(a) Non-Federal public works: Projects of the self-financing type to be financed by loans at sufficiently low rates of interest to stimulate borrowing for this purpose. The type of projects would be water works, sewage disposal plants, bridges, hospitals, and other municipal projects.	2	$350M	$150M
(b) Express Post Roads: Self-liquidating toll roads: bridges, high-speed highways and city by-passes.	4	750	150
(c) Railroad Equipment: Authority to purchase all types of railroad equipment which is to be leased to railroads at a rate which will return the cost to the United States over a period of years. Carriers would have the option to buy the leased equipment.	3	500	100
II. Department of Agriculture -			
(a) Rural Electrification: Expansion of present rural electrification program to reach a maximum of 1¼ million rural families not now receiving electric service nor likely to receive such service in the near future.	7	460	20
(b) Farm Tenant Program: Expansion of the self-liquidating portion of the program of the Farm Security Administration for tenant farm purchases, rehabilitation program, loans for minor improvements and repairs, loans to resettlement cooperatives, and loans for water facilities.	2	500	250

III. Foreign Loans -

Extension of short and long-term loans to foreign governments for the purpose of promoting our foreign trade. The proceeds of these loans would be spent in the United States and would be used for development and reconstruction purposes in the foreign country.	2	500	200
TOTALS		$3,060M	$870M"

(The President then continued reading:)

> "This program would stimulate a greater amount of productive expenditure than is indicated by the total estimated loan disbursements of $870 millions for the fiscal year 1940. Some parts of it will involve additional local expenditures not financed by Federal funds, and other indirect expenditures will be generated.
>
> "To give effect to the program outlined above, some supplementary legislation will be necessary."

Practically all of this is merely supplementary legislation, extending the existing ceilings or providing specifically for the setting up of corporations, like the railroad equipment thing, to carry it out.

> "As a part, however, of the whole program for stimulating productive employment, I include another proposal which will not require legislation in addition to that now pending. This is the expansion of the public housing program of the United States Housing Authority through extending its borrowing power by $800,000,000. I have already indicated my approval of this legislation."

And, incidentally on that subject -- this is not in it but just for your information -- I have been talking with Straus (Nathan Straus, Administrator, United States Housing Authority) and in a great many of these cities we find a gap, which you people and I can well understand. A lot of this housing is taking care of really poor people at a reasonable rental and between them and the people who are earning, well, let us say, from $1,250. up to $2,000. a year, that classification, we have not done anything for that group. Private enterprise on housing, through the F. H. A., is doing a perfectly grand job in providing housing, apartments, et cetera and so on, for the next higher group, in other words, people earning $2,000. a year and up. You have examples right here in Washington. There are those new apartment houses at the place down there, across the river in Virginia. And that is grand for people who are earning between $2,000. and $3,000. a year. But the rents there are too high for people with families who are earning less than $2,000. and if we get this $800,000,000. additional housing money -- of course it won't all go out in one year but part of it will be under construction -- we are going to try to take care of that intermediate group that is not taken care of by the actual slum clearance work, people who are not in the lowest classification of earnings but cannot afford the privately built apartments or houses. That is going to take care of this intermediate group that we really have done very little for.

Q Does that involve a rent subsidy?

THE PRESIDENT: The same idea, yes, but it will be a lower rent subsidy.

Q Do any of these categories involve any grant whatsoever?

THE PRESIDENT: No free money whatsoever.

I will read you the rest of the letter:

> "If you think well of such a program as I have outlined I shall be glad to confer with you and your colleagues and with Members of the House of Representatives. I am sending copies of this letter to the Chairman of the Appropriations, Finance and Banking and Currency Committees of the Senate and to the Chairmen of the Ways and Means, Banking and

> Currency and Appropriations Committees of the House."

And then I am also sending it to the Vice President, the Majority Leader, the Speaker and the Majority Leader. That is all.

The point to emphasize is that this does not cost the Government any permanently out-of-pocket money. There is no grant involved. It is just like R. F. C. lending or H. O. L. C. lending and the money comes back to the Government.

Q Will these agencies, Mr. President, borrow directly from the public?

THE PRESIDENT: Yes.

Q It will not go into the regular budget?

THE PRESIDENT: It will not go into the budget of the United States at all.

Q Who will do the financing for the account of these agencies, the Federal Public Works Agency?

THE PRESIDENT: Yes, the same way we do it now, with the approval of the Treasury Department so that you do not get two issues out to the public the same day.

Q Would this come under Public Works or under the new lending agency?

THE PRESIDENT: Each one does their own, according to their own setup.

Q Different corporations?

THE PRESIDENT: Different corporations but all clear through the existing Interdepartmental Committee.

Q The railroad loans will come under the lending agency, as they do now?

THE PRESIDENT: The railroad loans -- let me see -- the railroad equipment, that would come under the Federal Works Agency but the actual borrowing of the money will be cleared with the lending agency of the Treasury.

Q Mr. President, have you given consideration to asking the Federal Housing Administration to lower the maximum rate on mortgages which it insures?

THE PRESIDENT: That is under consideration and requires no law.

Q Any thought of what the interest rate will be on those -- on the financing of those self-liquidating projects?

THE PRESIDENT: They will be just about as low as we can borrow the money.

Q Will the interest rate be expected to pay the cost of administration?

THE PRESIDENT: Yes, the whole thing.

Q Are these considered to be completely self-liquidating projects?

THE PRESIDENT: Yes, all are considered completely self-liquidating.

Q They will cost the taxpayer nothing in the long run?

THE PRESIDENT: No.

Q You are not considering hospitals in that?

THE PRESIDENT: There will be hospitals because they will be able to get the money cheaper than any other way.

Q That includes the U. S. Housing Authority?

THE PRESIDENT: Yes; we do not need any law on that.

Q Do you consider U. S. H. A. as a completely self-liquidating project?

THE PRESIDENT: No, that is why I did not put that in in the same category as the others. It is not in the same category.

Q I am not clear on those foreign loans. Under what agency? The Export-Import Bank?

THE PRESIDENT: Yes.

MR. YOUNG: Thank you, Mr. President.

Q Mr. President, in obtaining this money by the various authorities, what interest rate will they pay on their securities?

THE PRESIDENT: Just as low as they can get.

Q How about the rate charged?

THE PRESIDENT: Same thing.

Q Will it be based on that administration cost?

THE PRESIDENT: Yes, and that, of course, will depend a little bit on the length of life of the project. For instance, just for the sake of example, railroad equipment, I think the average life is ordinarily, in the banking end of it, ten years, isn't it? That is on railroad equipment notes. Well, it is something like that.

Well, we might extend that to twelve or fifteen years and we would get, of course, our money at a great deal cheaper rate than we would on a 25-year or 30-year loan. The shorter the loan, the lower the interest.

Q These would be all bond issues to obtain money. Would they be at varying maturity dates?

THE PRESIDENT: Yes, depending on the purpose.

Q Will the mechanics of making these loans be handled by the Treasury?

THE PRESIDENT: Just the same relationship that the Treasury has now to Jesse Jones' financing or John Fahey's financing. It is a cooperative method of handling the issuance of all these securities.

Q Mr. President, is legislation required for the railroad equipment plan? You spoke of the possibility that legislation might be required?

THE PRESIDENT: You do need that if we actually order these cars through a Government corporation and retain title to the cars.

Q If I understood your letter, you have definitely decided to do that?

THE PRESIDENT: Yes.

Q There will be some budgetary outlays for capitalization?

THE PRESIDENT: I do not know. Whether we can do that out of existing law or not, I do not know.

Q Is this the total of the lending? Is this likely to be supplemented by something like the Mead Bill or is this the total?

THE PRESIDENT: No, this is a separate thing entirely.

Q Mr. President, you mentioned the $3,060,000,000. ceiling for the two to seven years. Is that the ceiling on which the Government would lend or the ceiling on the total cost?

THE PRESIDENT: No, the Government could have outstanding at any one time the total of that ceiling and, as the money is paid back on these loans, the Government would be able, depending on the unemployment situation, to put it out again on some new project. It is, strictly speaking, a revolving fund with that ceiling.

Q In connection with R. E. A., is there anything with respect to the development of St. Lawrence power?

THE PRESIDENT: Not a thing.

Q These will be guaranteed by the Federal Government?

THE PRESIDENT: Just like H. O. L. C. and Jesse Jones.

Q How much of the $800,000,000. for U. S. Housing would be used, as an estimate, for 1940?

THE PRESIDENT: I do not know. You will have to ask Straus. I do not know.

Q Will there be details available as to those toll roads and bridges as outlined on the part of public roads?

THE PRESIDENT: Yes, MacDonald (Mr. Thomas H. MacDonald, of Public Roads) will be able to give them to the Committee on the Hill. I have not got them. He believes he can do a great deal more than I have put him down for. In fact, nearly all of these agencies -- I have blue penciled them -- they think they can go considerably stronger than the figures I have put down.

Q On the toll roads, does this involve the principle of excess condemnation?

THE PRESIDENT: Yes.

Q That would require legislation?

THE PRESIDENT: Yes.

Q I am not clear whether the obligations to be issued by the Government agencies are guaranteed by the respective agencies or by the Treasury?

THE PRESIDENT: Same relationship as Jesse Jones' securities and Fahey's securities, whatever that is.

Q This rural rehabilitation agency, does it have authority to issue its obligations?

THE PRESIDENT: No.

Q It would be given that authority?

THE PRESIDENT: Yes.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #557,
Executive Offices of the White House,
June 23, 1939, 10.45 A.M.

THE PRESIDENT: Good morning. I did not wake up in time to see you this morning.

Q If you could have heard the King of England broadcast --

THE PRESIDENT: Was it pretty good? Steve (Mr. Early) told me about it.

Q No. Did Steve say he was good?

THE PRESIDENT: Yes.

Q I thought he was awfully dull.

THE PRESIDENT: Of course he is slow in talking.

Q But he was good on the content of his speech; it was regal and royal.

THE PRESIDENT: That's all you have to have.

Q I'll bet he is glad he does not have to run for reelection. (Laughter)

Q There is the pantsless wonder (referring to General Watson who had openly admitted that Mrs. Watson would not permit him to take the trip to Europe on the Clipper ship.) (Laughter)

Q The Lindbergh of the White House. (Laughter)

(The President's attention was called to the cloth donkey on his desk.)

THE PRESIDENT: You know, it is an interesting thing, that was nearly a foot tall in 1933. Every time it goes to the cleaner it gets smaller.

Q It will be growing quite regularly now.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any news this morning.

Q Mr. President, will the bonds issued by the Government agencies under the self-liquidating or lending program be tax-exempt securities?

THE PRESIDENT: I hope not. I do not know what the law on it is. I hope we will get Congress to make it clear that there won't be any more, anywhere.

Q Mr. President, I understand that you are considering a restriction under which the Niagara Falls bridge is to be built.

THE PRESIDENT: I do not know anything about it except a message from Congressman Andrews in which he asked to see me and I am going to see him when I get back.

Q Isn't there a memorandum being submitted to you to take to Hyde Park for consideration?

THE PRESIDENT: I have not got it; maybe.

Q There is a protest from Niagara Falls that they cannot get the bridge unless the income from these bonds is nontaxable and that you are looking for the (tax) freeing of income, although you insist on the bridge bonds being taxed.

THE PRESIDENT: I do not know; I cannot answer intelligently because I don't know enough about it.

Q Will you ask for new legislation to extend the monetary powers in the event that the filibuster defeats the legislation now before the Senate?

THE PRESIDENT: Yes.

Q You will ask?

THE PRESIDENT: Yes.

Q At this session?

THE PRESIDENT: Yes.

Q There was an announcement in the House of Commons today that Great Britain and the United States were going to sign the barter agreement today?

THE PRESIDENT: You will have to ask the State Department. All I know is that yesterday or the day before they were almost in agreement.

Q Mr. President, on these self-liquidating projects, have they worked out the interest rate that these local governments will pay? In other words, what are the mechanics?

THE PRESIDENT: As low as possible.

Q Berle says that on hospitals it will be as low as one-half of one per cent, or one per cent, and I was wondering whether you merely wanted the principal back?

THE PRESIDENT: No, I want interest, too.

Q You want the interest?

THE PRESIDENT: Sure.

Q Mr. President, the Food and Drug Bill becomes effective day after tomorrow and the House has sent you a bill extending the effective day of part of it. Are you going to expedite it --

THE PRESIDENT: (interposing) I do not know; it hasn't come to me yet.

Q Are you anywhere nearer appointing the heads of the reorganized agencies?

THE PRESIDENT: Yes; two of them are going in today.

Q Thanks for that tip.

Q Do you want to announce them now?

THE PRESIDENT: I had better not out of courtesy to the Senate.

Q When does the third go up?

THE PRESIDENT: I don't know.

Q What about the executive assistants, the six of them?

THE PRESIDENT: I do not think I have any money for them yet, Pete (Mr. Brandt), have I?

Q Have you money for these other people, the heads of the reorganized agencies?

THE PRESIDENT: That I do not know. (Laughter)

Q I do not think you have. That would mean that possibly they already have some money, being in the Government? (Laughter)

THE PRESIDENT: That I do not know.

Q Mr. President, the House has accepted the Senate amendment on the agricultural parity payments. Have they discussed with you any means of raising the revenue?

THE PRESIDENT: Not yet.

Q Do you expect them to come up?

THE PRESIDENT: I do not know. I'm getting a memorandum this afternoon from Agriculture as to just what it is.

Q Are you likely to have a message on that?

THE PRESIDENT: I could not tell you.

Q If I might go back to the Niagara Falls bridge, do you feel that the income as well as the bonds should be taxed?

THE PRESIDENT: I was just saying that I do not know anything about it; I could not tell you.

Of course, there is this thing to remember: I can give you a very simple example, and this applies to this lending program a little bit:

Once upon a time, when I was in Albany, the American Legion got through the Legislature a bill to build a road up to the top of -- what was the name of the mountain, the big mountain up in the Adirondacks?

Q Whiteface.

THE PRESIDENT: Yes, Whiteface, as a toll proposition, as a memorial to the New York State people who had died in the war. A very, very careful checkup on it showed that it would pay, pay its way, interest and principal. The Comptroller of the State of New York, after the Authority had been set up, tried to get private bids for the bonds, but there wasn't much interest on the part of the people who were asked to buy the bonds and he could not get a bid. It was a perfectly good, self-liquidating project.

Well, he was so sure that the thing was self-liquidating, that he bought the bonds himself out of various State funds, investment funds for the State. And the road has been built and it is paying ever since.

Now, that is a pretty good example of what can be done. Of course, those were tax-exempt bonds but, whether they were tax-exempt or not, they would have had the same problem for their sale to bond brokers. That it a little bit of an illustration. That is why, on this lending program, there are a great many projects on it that the various private bankers do not care to go into because there is not enough spread for them, which is about the answer.

Q In the case of this particular episode, I understand it that under your program the Treasury would have guaranteed those bonds?

THE PRESIDENT: Only if a careful survey showed that the bridge would pay.

Q Since the express highways would have a military value, would not the Government make some contribution to them?

THE PRESIDENT: I do not think so. That is too ephemeral. Use it and see if anybody understands it. (Laughter)

Q I know -- e-p-h. (Laughter)

Q Mr. President, would private organizations be allowed to borrow money, such as the American Legion, or a group of doctors who want to build a hospital, or must it be a local government?

THE PRESIDENT: No, it can be a quasi-public group.

Q Cooperative?

THE PRESIDENT: I think it applies to cooperatives but I do not know. You will have to check on it as to whether it is only farm or food cooperatives or whether it can be extended to other groups. As to that I do not know.

Q But a purely private company could not do it?

THE PRESIDENT: No.

Q Would the interest vary according to the type of project under this program? Would hospitals, say, get a lower interest rate than a more commercial enterprise, such as a power plant?

THE PRESIDENT: I should say not. I think we would probably have a standard rate. Just to give you an illustration: If the Pennsylvania Railroad -- that seems to be solvent -- wants some new equipment and another road that is not in such good financial situation wanted to buy equipment, we probably would lump the two together so that they would get the same rate.

Q Mr. President, how much of this $113,000,000. in the Agricultural Appropriations Bill is involved in your new W.P.A. food stamp program?

THE PRESIDENT: I have not the faintest idea.

Q We were told on the Hill that you were very much interested in that one fund because a large part is used to finance W.P.A. food sales?

THE PRESIDENT: That is true but I could not tell you how much.

Q Have you any comment to make on the $225,000,000. farm parity fund?

THE PRESIDENT: I was just telling Pete (Brandt) that I have not any memorandum on it as yet.

Q On the proposed loans to foreign governments, will those be granted to those who have bonds in default, in the same way that we regard interest on war debts?

THE PRESIDENT: They have practically the same relationship to it but not very much. Those, of course, were private debts made back in the palmy days when we were forcing money on foreign governments, regardless.

Q These foreign governments -- the South American governments?

THE PRESIDENT: Those who did not need to borrow money, and firms in New York forced these bonds on South American governments and then forced them from there onto the consuming public in the United States through the old method of using the bank, the little local bank, saying, "If we take your money in New York to put it out on the call market, as a quid pro quo, you have to take x number of Bolivian bonds and palm them off on your bank customers in Poughkeepsie, N. Y."

Well, I cannot say that that ancient fraud of the 20s has much to do with sound loans at the present time, the money to be spent in the United States. Again it comes down to a question of current soundness.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #557-A (Annual Conference
with Editors of Trade Publications),
Executive Offices of the White House,
June 23, 1939, 11.00 A.M.

(Paul Wooten introduced each one of the editors to the President.)

THE PRESIDENT: They are a very, very young-looking bunch. It is all right.

Q Mr. President, it is a great while since this group has had the opportunity of chatting with you. Our engagements have put that off. I think you know we represent the business press from a representative standpoint rather than from an editorial standpoint and we know that you are interested in what business is doing and where it is going.

I think we are all interested in your action yesterday (statement of the lending program) and that you might like to give us your ideas of where we are going and what we can do to help.

THE PRESIDENT: Of course this thing has been done after an enormous amount of study. Oh, I suppose it started in about the fall of 1937 when things started to go down and there was one group, you might say people in different departments down here, that had the belief that there is a great deal of investment that the banks and private investors won't touch, quite frankly. They don't want to touch it. I used the illustration just now (to the previous Press Conference) with the Press of when I was Governor. There was this bill passed to complete a memorial highway, put through by the (American) Legion, up at the top of Whiteface Mountain, a toll road. They were 5% bonds -- of course that was the era of tight money -- and nobody would touch them. We issued those bonds after being definitely assured by the engineers, et cetera, that it was not only practicable but would pay its way. But the banking people, who ordinarily bought bonds, would not touch them; there was not enough spread -- it was a sales proposition and there wasn't enough spread.

We took the bonds for various sinking funds of the State. It has been a gold mine for us, so much of a gold mine that we reduced to ourselves the rate of interest from 5% to 4%. It put an awful lot of people to work, they bought a lot of material that went into the construction of that highway, although it was not a big amount, the whole thing costing about $4,000,000.

There is the private financing element. It is perfectly legitimate, they did not want to touch it.

Now, on this new program, there are a great many things that private investing companies, banks et cetera and so on, won't touch. And what happens? It means that you do not build the project. There is a field in there where the Government can do it and where the private companies cannot do it.

Another reason is that there are certain things that only the Government can do. Well, you take a very simple illustration: suppose you want to build a toll express highway. The private company has not the right to go in there and condemn, or, if they are given by state legislature the right to condemn, they have to do it by the old-fashioned method of going before a jury. You know what that means. Then again, suppose it is in two states. Then you have to go to two state legislatures.

On that particular thing, what I am trying to get the Federal

Government to do on their highways is to adopt the same method we have used in the State of New York for about ten or twelve years, that Al Smith and Bob Moses invented. It is called the method of appropriating. You go to the man and say, "I am awfully sorry, but we have to put this road through the back part of your farm and so I want to pay $3,000. for the right of way." He says, "I am awfully sorry too, but I think it is worth $13,000." You say, "All we can find in value is $3,000. and we will give you the $3,000. and start things moving. And, if you do not take the $3,000., we will give you a preferred place on the Court of Claims calendar and whatever the Court of Claims says is due you, we will pay you."

Now, that is the method and there is nothing new about it. On this particular item of building toll roads, we want to do the same thing, Federally, that they have done in several states for many years. You see, the private companies cannot do that. It is just an illustration.

On farm tenancy, we are trying to solve this problem in part, this serious problem of trying to get ownership to replace tenancy in part. It is a $250,000,000. program. No private company can do it.

That is why the editorials, like those in the New York Times and the Herald Tribune, are so silly. They say, "This is a dreadful thing." They say that we are entering the private field. Well, the simple answer is that this private field has been open right along and nobody has gone into it. As a matter of fact, I do not believe I would do it if I were a private man. And yet, we think that all of these projects into which we are going will be self-liquidating. If the private investment groups won't touch them and finance them, there is only one answer and that is that the Government has got to do it because it is needed and it is going to put an awful lot of people to work on a basis that does not mean money permanently out of the Treasury.

You know, on the operation of P.W.A., the last two or three years, we have given to any community that wanted a new schoolhouse, 45% grant, which is a pure gift out of the Treasury and which will never come back. I have used it up in the town of Hyde Park in building a million dollars' worth of schools. The Federal Government is handing out, just a handout, $450,000. Well, I was not going to pass up the chance.

But, it is not the right way of going on permanently. Obviously, your Congressman wants to go on with P.W.A. because his district likes to get the handout but, in the last analysis, it is not sound because a school is not a self-liquidating project although a school is a beautiful monument that a fellow likes to have in order that he may make much of it.

That, however, boosts the budget -- the P.W.A. boosts your budget.

The other method of lending, the self-liquidating end of it, it will come back to the Government over a period of years -- ten to perhaps thirty years. That is the simple business theory of it and we think we can get this money, eight hundred and some millions.

As a matter of fact, I cut the estimates of the different agencies just about in half. They thought they could use a billion and a half on work, and, being extremely conservative, I cut them to eight hundred and fifty million and I hope, with that cut, they will be able to put that money out in the fiscal year 1940 so we can get the thing fairly soon.

I think we will probably get most of it through. Of course there are a lot of people on the Hill that prefer the P.W.A. method, the handout, and of course the organization that has been doing it in Washington, they want to keep their jobs and go on with it.

Q Presumably the program will depend a great deal on the terms they establish for lending that money?

THE PRESIDENT: Yes.

Q That is up to the Congress, is it not?

THE PRESIDENT: No. The general theory is that we will borrow the money at whatever the market will stand. That depends, of course, a little on the length, the term. At the present time, on thirty-year borrowing, we can borrow probably at 2¾%. That means that we would charge probably an extra quarter of one per cent.

Q That would be a very low rate?

THE PRESIDENT: Yes, as low as we can get. If it is ten years to repay them, I suppose we could borrow the money at perhaps pretty close to 2% and in that case we would lend the money out for the project at about 2¼% or about a quarter over what it costs us.

As I see it, nearly all of these things are things that private capital cannot do for one thing or another. I am not cussing the banks for going on strikes -- there are reasons for being on strike and I probably would be myself.

Q There is quite an item there for railroad equipment and, of course, the railroads can get their credit back if business improves and be able to finance it without help, presumably?

THE PRESIDENT: Oh, yes. Of course there are two schools of thought on railroads. A great many of the railroads say, " We do not need any more equipment; we are revamping the old equipment."

Those, of course, are the stronger roads. The weaker roads are actually hiring cars today from the stronger roads that have surplus equipment and that are charging a dollar a day for such equipment. In other words, the strong roads are charging the little roads a dollar a day for the use of these cars and making money. The strong roads have kept their equipment up. They have plenty and they are leasing it to the little roads at a profit on a dollar a day.

The other side is that these little roads probably ought not to be charged, on the basis of present prices for cars, much more than fifty-five cents per car per day.

After all, it is just like all strong people who get in the position of having something that the other fellow needs. We will charge all the traffic will bear. Now, that is human, too, a perfectly natural human thing.

Q Certainly.

THE PRESIDENT: As a matter of fact, on straight valuation, the charge ought to be about fifty-five cents instead of a dollar.

You see, by pooling all these needs for cars and leasing them on what we call equipment trust notes for the length of life of the notes, which will be twelve to fifteen years -- somewhere between ten and fifteen years -- we ought to be able to borrow that money at somewhere around 2, $2\frac{1}{4}$% and charge an extra quarter. We would rent them on that basis to the railroads that most need the equipment.

The other advantage is that if the road goes into the hands of the receiver, the title remains in the Government instead of being all mixed up in the court and having a junior lien instead of a senior lien.

Q That would practically wipe out the investment in ten or fifteen years or it would be amortized?

THE PRESIDENT: Yes. It would run just like the equipment trust note. But there are a lot of little railroads in the country that find it difficult to go to New York and get money on equipment trust notes.

Q It is almost impossible.

THE PRESIDENT: And with that we hope to get in another thing -- some kind of a tie-in with the leasing of the cars -- some provision for taking over their antiquated, out-of-date cars that are really not worth repairing, and perhaps organizing some agency to scrap them.

Q They are practically laying on the sidetracks, idle, today.

THE PRESIDENT: Yes, and what we need is a universal scrapping agency. We could use that scrap for scrap storage. We do not want to export it to Japan or Germany at the present time but we could use it as a war reserve -- something of that kind.

Q That leads directly to another question in which we are tremendously interested, Mr. President. What is the latest international picture as you see it? How much can you tell us?

THE PRESIDENT: Will you let me talk to you off the record?

Q This is all off the record.

THE PRESIDENT: Well, I will tell you. I will just give you two illustrations. What is the name of that U.P. man?

MR. EARLY: Webb Miller.

THE PRESIDENT: Webb Miller. Of course he is one of the best men we have in Europe. I said to him, "You know, I think the simple thing to do is to put things in terms of betting odds. The chances are there won't be a war during the winter, after the fifteenth of October -- that is, an European war." I said, "What are the betting odds on war between now and the fifteenth of October?"

"Well," he said, "I would say 3 to 2 against it."

That is damn close.

Q Too close.

THE PRESIDENT: Four days before, I had Bill Bullitt down. He had just come over to get his shoulder fixed up and is going back to Paris.

I said, "Bill, what are your betting odds?"

He said, "2 to 3 there will be war. You can put your money on either horse."

My odds are even money and you can pick either side and I will take the other. That is the fairest and simplest way of putting it.

You see, the thing is this: After my note to Mussolini and Hitler in April, if they believed that, economically, Germany and Italy were sliding down hill, my note gave them the out to try to work out a new international economic accord peacefully because I just definitely said that we would go into that. In other words, we would try to get raw material sources for Germany and Italy. We would also try to work toward disarmament, the first step being no increases in armaments and the next step of trying to get a ten-year agreement that there would be no aggression of any kind, no troops crossing borders.

The door was wide open. If they had only come back and given me 10% of an opening to pursue it a little further! What I hoped was that they would see their own economic condition, that they would take that chance and come back to me and say -- my favorite phrase -- "Yes, but," or say, "We cannot do this or that but we are willing to talk this over a little further about our economic future, our surplus population in Germany."

Well, they closed the door right straight in my face and since then they have increased the number of men they have had under arms materially. Germany has about 1,800,000 men under arms and they are -- well, they have increased them at the Dutch border, they have increased them at the Swiss border, and they have increased them on two sides of Poland, in Germany proper and they have increased their garrisons in East Prussia. They have sent Germans to Italy in large numbers. They have sent Germans to Tripoli in fair numbers.

Italy, at the same time, has 1,200,000 men under arms. They are men under arms with equipment and everything that goes with it. It costs an awful lot of money.

Quite aside from anything else, you would think, as a matter of common sense, that, having turned down that proposal to talk the thing over, the economic situation, peacefully, it looks as though they have come to the conclusion that they are going to bull the thing through and that their economic solution lies in conquest. That is too bad; we are out of luck.

Then, of course, on the other thing, I think the people over here are coming to realize what would happen if Germany and Italy won an European war. We would be out of the picture, entirely. Suppose they were to win an European war? Well, of course, what does the victor do? The victor disarms the fellow that he has licked. He takes his gun away, he takes away the British navy and the French army. There is complete domination of Europe.

Talking perfectly dispassionately, if I were a German conqueror, what would I do? Obviously, I would have the British navy out of the way and the French army out of the way. Scandinavia and the other countries up there cannot say anything. I would dominate the Baltics; Holland cannot say anything and Belgium cannot say anything.

The first thing I would do is to look around and say, "What outside territories do I want to take for myself?" The Dutch Indies, they are very nice. Congo from Belgium, they have copper, et cetera and so on there. Then there are various other raw material places.

We are not quite ready to take on the United States but we can do it by indirection very nicely. We are going to dominate South America without a war, without violating the Monroe Doctrine. So I say to the Argentine, "I am frightfully sorry, old man, but you people in the Argentine are completely dependent on the meat and wheat and corn you sell to Europe. You have no economic life if that is taken away from you. You cannot sell to the United States -- they won't buy. That is perfectly true; you have got to sell to Europe. I, Hitler, tell you that you cannot sell in Europe except on my terms and through me. I am going to collect a commission of 1% on all sales you make in England, in France, in Scandinavia and Holland."

What does the Argentine say? "This is a God damn holdup."

Germany says, "Take it or leave it and yes, by the way, Senor Ortiz, I forgot one thing: You put the army and navy under the control of our German officers."

He (Ortiz) says, "It is a damn outrage."

Hitler says, "Yes, perhaps it is. You do not have to take it."

What would you do if you were the President of Argentine? You know your country would starve if they couldn't sell all of their agricultural products abroad.

He would say the same thing to Brazil. "We won't take your coffee, we won't take your rubber, we won't take your cotton unless you sign on the dotted line and, incidentally, we will pay you in South America not in gold or foreign exchange. We will pay in certain manufactured products that will keep our factories going, and we will decide what manufactured products we will pay you in."

It is a perfectly open and shut thing and, if you have the complete, physical power to do it, you win.

Isn't that right? It sounds like a crazy picture but it is perfectly obvious, it is so sensible.

Q It is rational.

THE PRESIDENT: Absolutely, from Hitler's point of view, it is rational. And, if any of us were in his place, with his methods, we would do it.

MR. WOOTEN: I am afraid we are taking up too much of your time.

THE PRESIDENT: Tell me one thing, what is your general feel? None of us are prophets and we do not want to prophesy. Do you feel that things are a little better?

Q On the up side.

Q We represent so many different industries. I think it is a "feel."

THE PRESIDENT: It is a "feel"; that is all it is. That is why I put it in that way.

Q With our fingers crossed.

THE PRESIDENT: And, of course, as you know, I keep harping on the question of purchasing power. It is the same old story of the white man who is an employee working on the road or on the farm in Warm Springs, Georgia. He gets seventy cents a day when it is not raining. He cannot buy any of the stuff that your people are turning out. That is the real answer. I am not worried, as you all know, about the carpenter and the bricklayer or the plumber who is getting $15. a day but I am interested in the family that is not making more than $150. or $200. a year because he cannot buy anything.

Q This new program will help the heavy industries.

THE PRESIDENT: Oh, yes; it is going to help heavy industries and also the farm end on agriculture.

It is grand to see you. I hope our "feel" is right, and if we do not have war, everything will be all right.

CONFIDENTIAL
Press Conference #558,
In the President's Study at the
Hyde Park Home,
June 27, 1939, 10.55 A.M.

Q Good morning.

THE PRESIDENT: Good morning. James (Mr. Townsend, of Poughkeepsie), you own stock in a newspaper or something like that, so you qualify.

Q (Mr. Townsend) I think the one I am interested in is right here in my hand.

THE PRESIDENT: How about it, Dick (Mr. Coons), is he all right in here?

Q (Mr. Coons) Yes, he is all right; very acceptable.

THE PRESIDENT: Well, what is the news?

Q The Senate yesterday, Mr. President, dropped a couple of amendments to the monetary bill. Do you have any comment on it, sir?

THE PRESIDENT: Yes, off the record, you are bright boys, awfully bright. Sometimes you are too damned bright. (The President was referring to the article in the New York Times, written by Mr. Felix Belair, in which he referred to the fact that the President had heard about the defeat of the monetary measures prior to making a trip to the estate of John Mack, where he had gone trout fishing. Mr. Belair represented that the President had retired to his favorite sport in order to cogitate.) I did not hear about it. I read the lovely story in the paper this morning that I was an hour late getting down to Poughkeepsie because I was all upset by the thing. Well, actually, I had not heard from Washington before I left for Poughkeepsie and I did not hear about it until 7.00 P.M. when I got back. That comes from being awfully bright.

Q (Mr. Belair) Or dumb, as the case may be.

THE PRESIDENT: In other words, it was one of the things that ought to have happened but did not happen.

Well, I will tell you --

Q (interposing) This is going on the record?

THE PRESIDENT: Not on the record but for background.

I think the easiest way of putting it is this: We will have to go back a little in history. In 1931, there was a great commotion or flurry in foreign exchange -- I should say the relationship of one currency to another -- and we were tremendously hit at that time. Probably Americans lost millions and millions of dollars because we had, at that time, an absolutely inflexible law relating to our currency.

France devalued and, mind you, every time that a nation devalued or talked of devaluing, international speculators were able to turn it to their personal account. You older people remember that as far back as 1931, and the result was that the relationship of one currency to another was jumping up and down like the Jack-in-the-box, with private speculators making money and, incidentally, disturbing the internal economy of every nation, including our own.

Actually, the control, such as there was in the United States, was vested almost wholly in Wall Street -- that is plain fact -- because they were in touch with international bankers all over the world, and the Treasury had no control over the money of this country.

Well, we came to 1933, and the first step there was to try to bring back the control over American money to the Treasury and take it away from Wall Street. The first method -- wait a minute, I am getting ahead of my story.

Before that, England devalued in 1931. The fact that we could do nothing about our own currency relationship to that of other nations meant that again Americans lost millions and millions of dollars. Our hands were tied and the only people who made money were the international private speculators.

So we came to 1933 and we made an effort to adjust our currency to the great changes that had taken place in a great many other nations.

The first thing we did was to pay more for gold and we bought gold slowly and on the way up from $21. an ounce to $35. an ounce.

The difficulty with that process was, frankly, that the nations began bidding against each other for gold and it seemed time to come to some understanding with the other nations to keep gold at about the $35. level. But that entailed two other steps: The first was to give to the United States a stabilization fund so that the stabilization fund could be used in conjunction with other nations' to checkmate the international speculators and maintain foreign exchange at a reasonably constant level.

The second step was to retain in the Treasury the authority, within very narrow limits, in case of a crisis, to change within those narrow limits the price of gold, and the result was the legislation of 1934.

First, it established a stabilization fund and, secondly, it gave authority to the Treasury -- the dollar being then 59¢, to reduce it to 50¢, or to put it up. There was not any limit on the up.

Q Pardon me, sir, you said to change the price of gold as a second step. Was that the price or the weight -- the bill reads weight?

THE PRESIDENT: It comes to the same thing. There is no difference. In other words, you have a certain flexibility within narrow limits.

Well, that worked extremely well because, since 1934, there have been two interesting results of this small flexibility. The first has been that foreign exchange has been held during all these critical days, with alarms and wars and all sorts of things, we have had substantially stabilized foreign exchange.

And the second effect, which is equally interesting, is that this has been accomplished by governments rather than by private speculators or legitimate private bankers. To put it the way you people and the public would understand better, the control of currency in international exchange has been restored from Wall Street to Washington.

In England, it has been transferred from the Bank of England to the British Treasury. In France, it has been transferred from the Banque de France to the French Treasury. It is the same thing in Belgium, and the same thing in Switzerland, and the same in Holland. In fact, we have run the ring of international speculators out of business and we have maintained the kind of international exchange so that the exporter and the importer can make contracts with the reasonable expectation that on the due date of the contract they will have the same exchange as the date they made the contract.

Now, what is the general effect of this Senate action which, by the way, is not final by any means? I am talking about the devaluation thing. For five and a half years we have had the right to devalue from 59¢ to 50¢. We have not used it and we have no intention of using it -- absolutely none -- unless some situation develops where other principal nations of the world start to take a crack at us, the way they did in 1930 and 1931, that took us three years to recover from, when we had a rigid exchange. As long as we have this right to devalue by 18%, it is a matter of betting odds, and the chances are about ten to one that we won't have to use it.

On the other hand, the taking away of that right means a possible return to the same conditions that existed in 1930 and 1931: First, giving to the international speculator group the opportunity to sell the pound short this month or sell the franc short next month or sell the belga short the following month. Those are the speculators.

It restores to the banks, the private banks in New York City and London, the only check on these speculative operations. Therefore, it returns to Wall Street the same control that Wall Street had over foreign exchange up to 1933.

Now, of course it is perfectly obvious that there are a great many people, including owners of probably most of the very big newspapers in this country, who would like to see the control over foreign exchange -- that is to say, the relationship of our dollar to other currencies -- would like to see that returned to Wall Street. That is obvious. They have always taken that point of view. They resent having the control over United States money lodged in the Treasury of the United States.

Of course, the answer is that just so long as the control was lodged in Wall Street up to 1933, the American people lost very, very large sums of money, probably running into the hundreds of millions of dollars -- manufacturers, exporters, importers, farmers. Now, somebody made a good portion of that money that they lost and there were very large profits in those days.

(Addressing Mr. Belair) Write it down. Just because your paper does not want to print it -- go ahead and write it down.

Somebody made that money -- not all of it, some of it -- and there is great resentment that that source of profits can no longer accrue and has not been able to accrue since 1933 to the private bankers and the international speculators because the control has been turned over to the treasuries of the various nations rather than to the private banks.

Now, that is simply just plain facts.

Now, to give it to you in another illustration: I will give you a very good analogy:

This maintenance of a stable exchange, of a stable dollar, is very definitely a part of our national defense and the action of the Senate yesterday is just like saying this -- it is just like passing a bill saying to the Navy, "You have got to take half of the Navy and lay it up in Navy Yards, grease the machinery and red lead the ships -- half the Navy." Then, in case the United States in the future is attacked, you will have the chance to say to the Congress, -- after the attack has begun -- "Would you be good enough to assemble and, after two or three months of debate, pass a law authorizing us to put that half of the Navy back into commission again and man it?"

Now, that is an absolutely legitimate comparison.

It is a very definite blow at national defense and in case of any crisis we would not be in the same position to meet it as under the present law and we would have to summon Congress and have two or three months' debate as to whether we should put half that Navy back into commission.

Then, of course on the silver thing, it is rather interesting to note some of the names of the people who voted for a fixed price subsidy for silver, because I take it on the same analogy, these same gentlemen would vote for a fixed price, guaranteed by the Government, for cotton and wheat and pigs and cattle, because silver is a natural product just like anything else that comes out of the ground and it is very interesting to note the people who voted for that price-fixing subsidy.

I am not, of course, including Senators from silver states because that is an obvious thing; they want the highest price they can get for their silver, that is obvious. (Examining newspaper)

Well, I cannot tell from the Times (the New York Times). Which vote is which in this?

Q (Mr. Harkness) The Adams amendment, I think, was the devaluation amendment.

THE PRESIDENT: Oh, they had two votes.

Q (Mr. Durno) Here is your silver (indicating).

THE PRESIDENT: On your silver, let us see: Vandenberg of Michigan, Lodge of Massachusetts, White of Maine, Austin of Vermont, Barbour of New Jersey, Danaher of Connecticut, Davis of Pennsylvania, little Freddie Hale of Maine. Don't say "little Freddie Hale," say "Senator Hale of Maine." We were brought up together so it is all right.

Well, that is just a little amusing.

Q (Mr. Harkness) There were some Democrats on that.

THE PRESIDENT: Oh, yes, but these are supposed to be against free coinage of silver.

Q (Mr. Harkness) Yes, there was one Republican voted against the amendment. I believe it was Senator Borah.

THE PRESIDENT: This is rather interesting; very amusing.

Q (Mr. Durno) You said that this action was not final. Have you any --

THE PRESIDENT: (interposing) Oh, no. It goes into conference now; I do not know what will come out of it.

Q You have not any --

THE PRESIDENT: (interposing) No; I have not talked to Washington.

Then there is one other thing that can be used, Friday night approaches -- Friday midnight. The Senate and House on Friday midnight will have been in session six months and you know what happens on Friday night if we do not get certain legislation. I think that is all that is necessary to be said on it.

Q (Mr. Harkness) Mr. President, for guidance in this situation, I recall, from having covered W. P. A., that they never end their business, say on Friday night. It is not a case of "we spend all our money, we owe nothing." There is always a big carryover. They have money outstanding or money in the Treasury.

If certain legislation is not passed on Friday midnight, does W. P. A. have authority to spend the $50,000,000. or $45,000,000., whatever they might still have in the Treasury?

THE PRESIDENT: Well, the $50,000,000. already in the Treasury would represent wages due for this week's work and it would represent payment for materials that had been ordered for this week's work. I think, although I am not clear on it, that that being an obligation of the Government, that by Saturday morning they would not be allowed to create any further obligations. I should say they cannot put anybody to work on Saturday -- no more obligations after Friday midnight -- but that this $50,000,000. in the Treasury would go to pay the wages for this week and the previous week and for paying bills for materials that are being delivered or have been delivered to the jobs. I do not think after Friday midnight they can create any other obligation; that means they cannot buy anything or work anybody.

Q There was a report in Washington yesterday, following the devaluation vote, that you might exercise your existing authority before Friday night.

THE PRESIDENT: That is about as intelligent as most of the reports that come out of Washington, just about. God, the amount of misinformation that comes out is perfectly terrible! It is the same old stuff. Why cannot people stick to facts and not write rumors and reports that just have nothing in them? God knows.

Q (Mr. Durno) When the Governors come up here tomorrow, have you anything in particular to take up with them?

THE PRESIDENT: Oh, no. I am going to be out, sitting under the trees, and they will come in, shake hands and sit down at little tables and have lunch and then, after that, we will line up in three rows, one kneeling down, one sitting and one standing behind and the still people and moving people can take pictures, and then they will get into their cars and go away.

Q Will that be at Dutchess Hill?

THE PRESIDENT: No; out here on the lawn.

Q How many have accepted your invitation?

THE PRESIDENT: There is a total of about eighty people coming. I think, as I remember it -- Bill (Mr. Hassett) will give you this -- I think there are thirty-two Governors and then there are several Lieutenant Governors and of course their wives and some of their children and a couple of Adjutant Generals, I think. It makes about eighty all told.

Q (Mr. Belair) When you were referring to this Senate action yesterday and the definite blow to national defense, you were referring to the ability of the country to defend itself against speculators?

THE PRESIDENT: Oh, no. Speculators and everything else because we can weaken the country by hurting its foreign trade, very, very definitely, as the foreign trade of the country was hurt, millions of dollars lost, back in -- well, whatever the time was that the foreign currencies were being bruised and bent and, in some cases, broken.

As I remember it, it happened, the first was 1930 and then came the pound in 1931 and then various other currencies went with that. It does not mean that it will happen immediately but it gives a far greater opportunity for it to start happening again.

Q So far the stabilization fund has actually used about $200,000,000. to operate. Do you think, in view of the Senate action, it might be necessary for them to use the remaining $1,800,000. of it?

THE PRESIDENT: I do not think it is a probability but it makes the use of the stabilization fund more difficult, undoubtedly.

Q Mr. President, local stuff: I wonder if you would give us anything, in view of the fact that Dutchess County has been very much interested in and wants to do what it can to persuade the Legislature to carry through this depositary (referring to the library at Hyde Park). Naturally, we carried the stories about the suspended rules action a couple of weeks ago, how the Republican side tried to block it. Of course your friend, Ham Fish --

THE PRESIDENT: (interposing) I hope very much that in the next few weeks there will be a rule brought out and of course there is a very definite majority in the House for the plan and if a rule is brought out and it can be brought to a vote --

Q (interposing) Rule?

THE PRESIDENT: What they call a rule. It means that the Committee on Rules brings in a rule as to which the first thing it does is to get an agreement on the length of time in which it can be debated. And then it has to be brought to a vote at the end of the debate period, and on that a simple majority is required to pass it.

Q Is that a combined action of the House --

THE PRESIDENT: (interposing) It is a regular House rule. The Senate has passed it. There is no question about the Senate.

I see the Hyde Park Town Board --

Q (interposing) Yes, they --

THE PRESIDENT: (interposing) -- which is composed of six Republicans to one Democrat, have passed a resolution to the Congressman asking him to vote for it.

Q Of course, strictly speaking, they naturally like the idea from a local standpoint as well as the great value from the standpoint of a national depositary.

THE PRESIDENT: Of course it will bring a lot of visitors into Poughkeepsie and Hyde Park, a great many.

Q Has Mr. Walker made any plans? Wasn't he to head the funds committee?

THE PRESIDENT: Well, he has gone ahead. He has pledges. He has got pledges now for, I think, pretty nearly the whole amount.

Q How much was that, sir?

THE PRESIDENT: About $350,000.

Q Any plans on the western trip? Anything definite?

THE PRESIDENT: No.

Q Will you return tomorrow afternoon or tomorrow night?

THE PRESIDENT: I do not know; I won't know until this afternoon.

Q When do you expect to come back again?

THE PRESIDENT: That I do not know either, because my mother is sailing for Europe on the sixth of July and I would like very much to come up here for Sunday and Monday and Tuesday -- Tuesday is the Fourth -- but it will depend a little bit on whether I have to be in Washington Sunday, Monday and Tuesday, so I cannot tell that until I get back.

Q Are you leaving tomorrow night?

THE PRESIDENT: I do not know; either tomorrow afternoon, after the

Governors go, or tomorrow night.

Q Could we find out a little later? Several of us are considering going down to the prize fight tomorrow afternoon, after the Governors leave, and we might be able to pick up the train in New York, if you will leave that evening.

THE PRESIDENT: It is a good idea. If I leave in the evening, I would leave here, daylight time, I should think about 11.00 o'clock daylight.

Q This bout goes on at ten.

THE PRESIDENT: That means Weehawken about 12.30.

Q I do not know, if you will --

THE PRESIDENT: (interposing) Or if you wanted to party -- 2.00 o'clock is the last train out of New York.

Q We have to go down with you, sir.

THE PRESIDENT: Go down with me, even in the middle of the night?

Q Stick on your job. (Laughter)

THE PRESIDENT: I will try to make it late so you won't have to be at Weehawken until 1.00.

Q On the old post office in Poughkeepsie, I understand an appraisal has been put on for about $60,000. Is it possible for the City Government to buy it for a City Hall at half the appraisal?

THE PRESIDENT: No, the appraisal is about $160,000.

Q But there was a new appraisal made recently. Are you acquainted?

THE PRESIDENT: No. As I remember it, the price fixed by the Treasury Department was $50,000. as half of the real value.

Q Yes, something along that line.

THE PRESIDENT: I think the price fixed by the Treasury was $50,000.

Q That is what it would cost the city?

THE PRESIDENT: Yes. I very much hope that the city will take it over because it would be a great pity for the city to have a big office building go right up to the curb, I mean right up to the sidewalk, of Market Street and Union Street. It adds to a rather serious congestion and makes it worse. I should think that that building, with a very small additional cost, would be quite usable for a City Hall. Isn't it true that the present City Hall is really needed for the police and firemen, et cetera? Well, it is a good chance to get land at a pretty important place at half price.

Q Any decision, Mr. President, on the head of the new welfare agency?

THE PRESIDENT: No, not yet.

MR. DURNO: Thank you, Mr. President.

THE PRESIDENT: I do not think anything else has happened. I am going to have a perfectly quiet day looking into the problem of repairs to the old buildings.

Q How did you find the trout fishing yesterday?

THE PRESIDENT: Fine.

Q We were interested to hear that Franklin was going to be down at Judge Mack's office.

THE PRESIDENT: Well, he could not find a better place to learn law than one of the most interesting offices in the United States, because I suppose John Mack's office handles a greater variety of law business and in more different jurisdictions than any other office in the United States. This is off the record, but I kidded John about having been admitted to the Reno Bar.

CONFIDENTIAL
Press Conference #559,
Executive Offices of the White House,
June 30, 1939, 10.55 A.M.

Q (Mr. Storm) Good morning, Mr. President.

THE PRESIDENT: What are you doing here?

Q (Mr. Storm) Still got a few weeks of grace. (The President and Mr. Storm were referring to the fact that Mr. Storm had just closed a two-year contract with Sam Goldwyn.)

THE PRESIDENT: It is a very quiet morning.

Q (Miss Craig) The taxicab driver who drove me over here and whom I do not know asked me to say "hello" to you for him.

THE PRESIDENT: Good. Take him again and say you did and tell him that I say "hello" to him.

Q Are you going up on the Hill?

THE PRESIDENT: No.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any particular news at this time.

Q Think you will go away tomorrow?

THE PRESIDENT: I hope to go off tomorrow at midnight and come back on Tuesday, the fourth.

Q Mr. President, this may be "iffy" now but it may not be by midnight: If the monetary bill is not enacted what policy will the Treasury follow on domestic silver purchases?

THE PRESIDENT: They are studying it now. I cannot give you any offhand answer.

Q They still have some power?

THE PRESIDENT: That I do not know.

Q Mr. President, have you any comment to make on the tax bill, now that you have signed it?

THE PRESIDENT: No, I think not. The administrative end of it presents a number of problems, as you know, and we are working on the administrative end of it to see if it will work out all right.

Q Could you say anything about those problems?

THE PRESIDENT: What?

Q What they are, those problems?

THE PRESIDENT: I suppose some problem in almost every new session.

Q Have you any indications or any reports to indicate that now that some of these so-called business deterrents have been removed, that business will pick up?

THE PRESIDENT: I do not know; I have no information one way or the other.

Q Can you tell us anything about your conference yesterday with Senator Donahey of Ohio?

THE PRESIDENT: Just general conversation such as we have fairly frequently.

Q Did you see any of the Congressional leaders this morning, before you came over?

THE PRESIDENT: No. I started to do some 'phoning about 8.30, that is why I'm late.

Q Are you planning to go up to the Capitol this evening?

THE PRESIDENT: I am not planning to go up to the Capitol. Of course if either of these bills were to pass at the last moment and it was a question of fifteen minutes -- in other words, if they could not get them engrossed and ready for signature by quarter to twelve, which would mean getting them down here by midnight, then I would go up there. It is merely a matter of fifteen minutes.

Q Have you any reports on what might happen on the Senate bill?

THE PRESIDENT: The only thing I heard was that the Republicans were in caucus to decide whether they would filibuster it or not.

Of course, I think I could say this: It seems to me that the people of the country as a whole would readily understand that situation and that I do not think the people of the country would be more favorably inclined toward the filibusterers because of the filibuster. That is a very mild comment. (Laughter)

Q Mr. President, there seems to be some disagreement about the situation in the event that this monetary bill does not pass by midnight, as to whether the legislation would have to be reenacted or whether the conference report adoption at a later date would continue the legislation in effect?

THE PRESIDENT: The only thing I can tell you is what I have been told. I have not looked it up and I have not asked the Attorney General. I was told that one or two of the parliamentarians on the Hill said that the bill as drawn is to extend legislation -- extend existing laws -- if those existing laws are off the statute books by expiration, that you cannot extend a law which is not on the statute books, therefore, that a new bill would be necessary to change that language and put back the original law with amendments. Now I do not know; that is simply what I was told as to what some of the parliamentarians up there said.

Q How closely associated with your good neighbor policy is the purchase of foreign silver -- I mean that coming from Mexico?

THE PRESIDENT: Well, that is only one phase of it. Of course that does cast some influence on North, Central and South American relations but, of course, there is another phase of it and that is the stabilization of exchange and the even flow of commerce between all the Republics and Canada.

Q Mr. President, has the Treasury had any assurance from the other signatories to the tripartite agreement that they would cooperate?

THE PRESIDENT: I do not believe it has been taken up.

Q Would you sign the agricultural appropriations bill in case --

THE PRESIDENT: (interposing) It has not reached me yet.

Q Without any new taxes?

THE PRESIDENT: It ought to be here sometime soon.

Q Will you say anything about what you may do?

THE PRESIDENT: No.

Q What about the Federal Securities head?

THE PRESIDENT: I do not believe I will have anything on it today.

Q What about the six administrative assistants? Anything on that?

THE PRESIDENT: Have I got the money?

Q Yes, I think you have.

Q It passed the Senate yesterday.

THE PRESIDENT: I have not signed it yet.

Q Will Jesse Jones remain as Chairman of the R.F.C.?

THE PRESIDENT: No.

Q Have you anything to say about who will be Chairman?

THE PRESIDENT: Not yet.

Q Mr. President, since the cost of collecting taxes on very small incomes will probably use up the revenue, what would you say as to collection at the source of a gross income tax?

THE PRESIDENT: Just a straight gross income tax?

Q Yes.

THE PRESIDENT: Well, that might work terrible hardships. For instance, I can very readily visualize a person in a very -- below the low brackets, who would get a gross income of four or five thousand dollars a year in some small business but who would only have a net income of only one thousand dollars a year. I do not think that would work. I think it might hit an awful lot of poor people.

Q Mr. President, is it possible to say anything further about your western trip plans?

THE PRESIDENT: I will probably go west four days after Congress finally adjourns. And now, you know all about it. (Laughter)

MR. YOUNG: Thank you,Mr. President.

NOTE: What follows this note is a transcript made on June 19, 1956, of stenographic notes made by me and recorded as taken on April 27, 1939, at 6.30 P.M., of a Press Conference held at the Nelson House, Poughkeepsie, New York, by Mr. William Hassett, a White House secretary.

The President, at the time, was at his home in nearby Hyde Park, New York, and members of the White House staff had set up temporary offices in the Nelson House, through which the various forms of communications were channeled. Representatives of the press associations and of individual newspapers had their rooms and telegraphic facilities in the same hotel; these included photographers as well as writers.

A memorandum bearing date May 3, 1939, over my name, on White House stationery, explained the purpose of this Press Conference.

Henry M. Kannee
Washington, D.C.
June 19, 1956

Mr. HASSETT: The President completed the dictation of his World's Fair speech which would seem to be a reply to any allegation that he was going, on Sunday, to reply to what Hitler is saying tomorrow.

This further explanation, however, is entirely off the record and that is that in the exchanges between nations it is always customary to have at least an acknowledgment, if not a reply; that in no sense --- heads of state have the right to make public speeches all they want to but in no instance is a public address to be considered as a reply to a communication from one government to another.

Q You say that is off the record?

MR. Hassett: That is off the record.

Q That is obvious.

Q You mean that is not to be used in any way?

MR. HASSETT: That is for your own guidance. You can't use it as coming from the White House.

Q (Mr. Durno) You may say, coming from the White House, that the President is going to make a speech in New York and he won't answer Hitler but you don't want to say it in advance?

MR. HASSETT: The speech that he is going to deliver in New York Sunday afternoon has been dictated. That is pretty good evidence, it seems to me; but this other is an explanation of the position taken in the exchange of notes between heads of governments.

Q Will it be possible to get the text tonight? It would help our offices.

MR. HASSETT: That I don't know but I think you will get the text well in advance of his delivery. The speech is completed already. It is conceivable, moreover, -- and this is off the record -- that if Mussolini or Hitler sent a communication to this communication, the President might refer to it in a fireside chat but that would not be considered a reply. He would still have the obligation to send a formal acknowledgment or reply to anything that was transmitted formally, and that this government will not consider anything that Hitler may say in a public address as a reply to an official document. That is plain, isn't it?

Q Yes.

MR. HASSETT: And it is all off the record.

Q (Mr. Durno) Conceivably the President replied informally yesterday when he addressed that conference and dragged in his Pan American speech. That wasn't formal. It was just a position.

MR. HASSETT: That is not comparable, George. You can't call it a reply. A reply to what? Again a reply to something that has not been received?

Q Not a reply but a statement. And every time he makes a speech, he states his position.

MR. HASSETT: Really, I don't see how it is profitable to continue the argument. Do you?

Q (Fred) No.

MR. HASSETT: (Continuing) On the basis of the simple fact that the speech he is going to deliver in New York is completed now. How can that be considered a reply to a speech that is going to be delivered tomorrow morning?

Q How many words, approximately?

MR. HASSETT: That I don't know. It has been dictated.

Q It is fifteen minutes and his pace is approximately one hundred and ten words a minute.

Q When will it be completed?

Q Nothing off the record. This is all being transcribed.

Q Anything in that he feels he has been officially snubbed by Hitler in that Hitler is going to make a speech in the Reichstag and not in response to anything from this government?

MR. HASSETT: Let us have it again.

Q This off the record thing that you gave to us: Can we consider that, still speaking off the record, as the President's own opinion that he believes that Hitler is not playing cricket by going before the Reichstag and not addressing a communication to him?

MR. HASSETT: The statement has been made in newspaper dispatches that the President would reply on Sunday to the speech Hitler is to make.

Q This explanation may throw some light on the President's attitude, in that Hitler, instead of coming to him through State Department channels or directly to the White House, chose this method.

MR. HASSETT: Adding, of course, that the President said he has the right to make all the speeches he wanted to but he will not consider anything that is in that speech as a reply.

Q We can say that on our own authority without quoting the White House?

MR. HASSETT: On your own authority you can say anything you want to say. But I don't think there is anything complicated about it. But I think you can make it complicated if you have too much talk.

Q The President does not want his Sunday speech to be considered as a reply to Hitler's speech. If we want to consider it as such, we are at liberty to do so.

Q We will get the speech at what time? We will get the speech -- we will be sweating around here to get the speech, the advance copies, and when we get the speech there will be a big bust and you know damn well there is going to be a slant on it -- just having covered speeches that Roosevelt has made over the last six years.

MR. HASSETT: You see, you have much better information than I have -- and I just talked to him.

Q Of course this speech is subject to change and subject to interpretation and so on.

Q Is the war on again?

Q (Mr. Belair) What this is aimed at is to try to prevent a war. More or less stories coming out for Roosevelt's Sunday's speech that it is going to be a reply. What he is trying to get us to do is to refrain from so doing. If we do, that is our business.

Q (Mr. Durno) Why don't you make a statement for the Press that the President went to bed early intending to sleep very late and ignoring Hitler's speech because he couldn't get up that early and would get the dispatches casually as they come in and meditate on them.

MR. HASSETT: Well, the President, the last thing he said was that he was going to sleep early and get up at his usual time.

Q What time is that?

MR. HASSETT: I don't know but it will be later than six o'clock. I am not going to issue any statement as to what time the President is going to get up in the morning.

Q (Mr. Oliver) Any of this make any new lead?

Q (Fred) No. I am going to write a separate story on that.

MR. HASSETT: I have got some dope on the arrival of the visitors, if you want. This goes for all entertainment: There will be no formal dinners. They will have family dinners.

Q There is going to be smorgasbord. If there is, I want to be invited. I like salt mackeral and herring.

MR. HASSETT: The Norwegians will arrive about 4.30 tomorrow afternoon and will be received at the wharf by the President and Mrs. Roosevelt. They will be piped over the side, et cetera, and that is all there is to that. Then they will have a family dinner and after dinner the Vassar College choir will sing.

Q Oh, Jesus! (Laughter)

MR. HASSETT: I was waiting for that.

Q That is what you get for baiting royalty.

MR. HASSETT: On Saturday there will be a picnic for the Norwegians.

Q That is what I wanted to find out all day.

MR. HASSETT: And at that picnic they will be entertained by Norwegian singers and dancers.

Q Where is the picnic?

MR. HASSETT: I haven't been told and I don't know.

Q Are these local Norwegians?

MR. HASSETT: I think they have come up. There is some connection with the Fair.

Q The Norwegians load lumber at the dock. I think they got them from there.

MR. HASSETT: Then, again, family dinner Saturday night. And then, Sunday morning, as you know, the Norwegians leave --

Q The Royal Norwegians -- (laughter)

MR. HASSETT: -- leave.

Q After a breakfast of sardines.

MR. HASSETT: And the President goes down to make his World's Fair speech. Then he comes back and it is expected the Danes will arrive Sunday evening about 6 o'clock. After dinner -- family dinner again, and not a picnic -- there will be music -- singing by a Miss Kraus --

Q Miss Lena Kraus -- (laughter)

Q (Mr. Durno) Have you the first name?

MR. HASSETT: No -- and Carl R. Maxson's YMCA quartet.

Q What is that?

MR. HASSETT: You are not respectful toward your betters, anyway.

Q YWCA?

Mr. Hassett: Leave the ladies out. It is YMCA.

Q Of Salem College?

MR. HASSETT: Of course everybody knows where Salem College is.

Q I don't. Where is Salem College?

MR. HASSETT: It is in Salem.

Q Massachusetts?

Q There is a Salem, New York, right across the River, about thirty miles back.

Q Where do you get the YMCA and a College?

Q Every college has a YMCA except the Jesuits.

Q You know, Bill, we ought to invite Sir Wilmot Lewis.

MR. Hassett: I am not done with the Danes. Let's see. After they rest from all this singing, they will, on Monday, have a picnic. Monday afternoon they will accompany the President to the dedication of the Rhinebeck Post Office, at 3.30 P.M., where they will be presented to the assemblage -- but no speech by the Danes.

Q Do you think the Crown Prince will show his tattoo marks? (Laughter)

MR. HASSETT: The West Point Band will play the Danish National Anthem. (Laughter). I don't know why this is getting so funny.

Q This is a beautiful Tin Pan story.

MR. HASSETT: They will come back for a family dinner.

Q Back to Hyde Park?

MR. HASSETT: Yes, for a family dinner.

Q They get two dinners?

MR. HASSETT: Yes, have the same amount of vittles and they will depart that evening.

Q What is on the entertainment program that night?

MR. HASSETT: Doesn't seem to be anything.

Q Want us to go up and put on a tap dance?

MR. HASSETT: Yes, we might have amateur night that night.

Q On these various dinners, are we going to have guest lists?

MR. HASSETT: Obviously not. Family dinners. I assume not but I believe Miss Thompson will be in and I had hopes of turning you over to her.

Q Who arranged for the program?

MR. HASSETT: Mrs. Roosevelt, probably. I think they are going to have a lot of good, clean fun. (Laughter).

Q Certainly not Billy Rose. (Laughter).

Q I didn't get this Miss Kraus. What is she going to sing?

MR. HASSETT: That I don't know; about the smorgasbord, I suppose.

Q (Mr. Belair) Is that the works, Bill?

MR. HASSETT: Yes.

Q What time is the press conference tomorrow?

MR. HASSETT: There will not be a press conference tomorrow.

Q (Mr. Belair) They can't do that.

Q (John) No press conference?

MR. HASSETT: No.

Q (John) I had a radio put in for six o'clock tomorrow so that I would have a background to ask questions.

MR. HASSETT: The President said, having made this explanation, obviously he would have no comment to make tomorrow on such information as he might have about the speech.

Q Sulking in his 99 room mansion, President Roosevelt --

MR. HASSETT: But, for your guidance, it is the best of my information, knowledge, and belief that the President will go to bed tonight and not get up until after 6 o'clock tomorrow morning.

Q (Mr. Durno) Thank you, Mr. Hassett!

MR. HASSETT: You are very welcome. Kindly leave an offering as you pass out, to be devoted to some worthy charity.

PRESS CONFERENCES

of

THE PRESIDENT

1939 -- July 4 to Dec. 29

Henry M. Kannee,
Official Reporter